Wealth tax: A systematic literature review

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Dissertation submitted in fulfilment of the requirements for the degree *Masters of Commerce in Accountancy* at the North-West University

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Graduation: May 2018
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18 March 2018

Confirmation of Language Edit

This letter serves as formal confirmation that a language edit was completed on the MCom dissertation entitled:

"Net wealth tax: A systematic literature review"

by MO Mofokeng.

As agreed, the edit did not include work on the references or addenda. Formatting of the manuscript was also excluded.

Yours sincerely

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ACKNOWLEDGEMENTS

- God, the Almighty, for the wisdom and opportunity to complete this dissertation against all odds.
- My mother, Maria Mofokeng, for her love, support, patience, and constant prayers.
- My friends—Thabang Mbele, Lerato Maqena, Bridget Masha, Buyisile Mthimkulu and Abraham Ngwarati—for their endless encouragement and support.
- My supervisor, Ms Olive Stumke, for her guidance, patience, motivation, valuable insights, and for peer reviewing the systematic review.
- My co-supervisor, Ms Joani Dahms, for her guidance, support, and for peer reviewing the systematic review process.
- My co-supervisor, Dr Verona Leendertz, for her guidance, motivation, valuable insights, and assistance with the appropriate systematic review process to follow.
- The Vaal Triangle campus of the North-West University for granting me an ATLAS.ti™ licence to enable me to analyse the data.
- Ms Martie Esterhuizen, NWU library information services manager, for the assistance with getting the appropriate articles for the study.
- Lastly, to everyone who supported me throughout this study I owe my sincerest gratitude.

ABSTRACT

Net wealth tax: A systematic literature review

Keywords: Capital tax, Wealth tax, Wealth transfer tax, Implementation, Abolishment.

The aim of this study was to gain an understanding behind the reasons for the implementation and subsequent abolishment of net wealth tax among various countries; and to compare these reasons with the possible implementation reasons of net wealth tax in South Africa (SA). The Davis Tax Commission (DTC) is currently investigating the feasibility of implementing annual net wealth tax in SA. The research question for this study—to obtain the reasoning behind the implementation and subsequent abolishment of net wealth tax—is based upon the notion that with 25 countries that have implemented the net wealth tax up to date, only 11 still impose it. The possible association behind the implementation reasons and the subsequent abolishment reasons for net wealth tax had to be established in order to provide guidance to the SA government with regard to the possible implementation of net wealth tax in the future. This study made use of a qualitative research method: a systematic literature review (SLR). An SLR was conducted to select the most relevant literature from the most prominent experts in the field of net wealth tax for this study. SLR is a proven and reliable method, which requires a strict systematic process. This study revealed that the annual net wealth tax is not as popular as it was in the past. Of the 25 countries that had previously implemented net wealth tax, 14 have abolished it. Horizontal equity, reduction of inequality, efficiency, and administration control were the most popular reasons as to why the net wealth tax was implemented. While, practical difficulties, adverse economic consequences, and double taxation were the reasons behind the subsequent abolishment of the net wealth tax. It can, therefore, be concluded that there is a strong association between the possible implementation of net wealth tax in SA with net wealth tax implementation reasons among the countries that have implemented net wealth tax in the past. However, the problems associated with net wealth tax as identified by the Katz Commission in 1994 also correlate with the reasons behind why many countries subsequently abolished net wealth tax. There was, however, a slight correlation between the countries that have implemented net wealth tax for the same reason and the reason behind their subsequent abolishment.

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LIST OF ABBREVIATIONS

ANC	:	African National Congress
COSATU	:	Congress of South African Trade Unions
DTC	:	Davis Tax Committee
EEC	:	European Economic Communities
FSA	:	Forestry South Africa
GDP	:	Gross Domestic Product
IMF	:	International Monetary Fund
IRR	:	Institute of Race Relations
NDP	:	National Development Plan
NGC	:	National General Council
NWU	:	North-West University
OXFAM	:	Oxford Committee for Famine Relief
SA	:	South Africa
SAICA	:	South African Institute of Chartered Accountants
SAIT	:	South African Institute of Tax Practitioners
SARS	:	South African Revenue Service
SLR	:	Systematic Literature Review
SOE	:	State-Owned Enterprises
SPSS©	:	IBM Statistical Package for the Social Sciences
TRC	:	Truth and Reconciliation Commission
UCT	:	University of Cape Town
UK	:	United Kingdom
US	:	United States of America
USD	:	US Dollar ($)
UWC	:	University of Western Cape
WEF	:	World Economic Forum

CHAPTER 1: INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

The World Economic Forum (WEF) (2012) identify inequality as a major threat to social stability. The Oxford Committee for Famine Relief (OXFAM) (2015:2) explains that the gap between the rich and poor is immense, with much of the world's wealth still in the hands of a few. Keely (2015:11) concludes that the average income of the richest ten per cent of the world's population is about nine times that of the poorest ten per cent, which is up seven times from 27 years ago. Brülhart *et al.* (2016:2) argue that the rise in inequality, as seen in many developed and developing countries over the past few decades, has incited new interest in the taxation of wealth. Keely (2015:8) explains that this rise in inequality has become a priority for policymakers in many countries. Piketty (2014:241) proposes a global wealth tax to achieve wealth distribution, reduce wealth inequality, and to achieve transparency in the ownership of assets.

Before discussing the taxation on wealth one needs to understand what wealth is and why it is taxed. Aaron and Munnell (1992:122) and Toledano (2016:5) define "wealth" as the net worth of all the assets owned by a person over their lifetime and it is valued in terms of its present market value. MacDonnell (2013:7) explains that "wealth" may include tangible assets, for example: land, buildings and vehicles, as well as intangible assets, for example: equities, human capital and pension rights. Seim (2014:18) concludes that "wealth" is a stock and not a flow variable, therefore, wealth is not dependent on the flow of income from one person to the next, but it is the accumulated assets less liabilities that is held by an individual.

The main reason for taxation of wealth, according to Silfverberg (2008:383), is that income generated from a person's wealth provides greater economic security, and is easier to obtain, than income generated from employment. The seminal concept from Maloney (1988:602) is that the main reason for the taxation of wealth would be to enable the distribution of the tax burden and resources in an impartial manner. Gordon and Rudnick (1996:1) explain that the countries that impose wealth taxes typically impose one of two types, the first being net wealth tax, which is levied annually over and above the annual income taxes; and the second being wealth transfer taxes, which is levied when wealth exchanges hands.

Bird (1991:322) and Sandford *et al.* (1975:5) define wealth tax as an overall tax imposed on individuals' net worth, regardless of whether the wealth originates from savings, labour or entrepreneurship. It is imposed on an annual basis and is not dependent on the flow of cash, as in the case of income taxes, transfer of ownership, or an economic transaction. Glennester (2012:2) and Silfverberg (2008:3) state that modern annual wealth taxes were introduced in the Scandinavian countries in the early twentieth century. The Scandinavian countries consist of a group of five countries: Sweden, Norway, Finland, Iceland, and Denmark. However, wealth tax has been around since the eighteenth century when it was initially introduced in Switzerland in 1719 (Tanabe, 1967:162). It was followed by Denmark in 1904 and Sweden in 1910. The introduction of wealth tax has mainly been motivated by the need for these countries to achieve horizontal equity (Groenewegen, 1985:306).

Glennester (2012:2) and Silfverberg (2008:3) explain that in the past two decades annual wealth taxes have been mostly abolished across European countries, with the main reasons for abolishment being that they contribute to adverse economic consequences. Glennester (2012:2) identifies several countries, including but not limited to, Argentina, Germany, Luxembourg, Sweden, and the Netherlands, which all subsequently abolished wealth tax, for which the reasons will be investigated further.

Kessler and Pestieau (1991:310) argue that, in terms of the European Economic Communities (EEC), wealth transfer taxes are imposed when assets are passed on as a result of death or as *inter vivos* gifts (a legal term referring to a transfer or gift made during one's lifetime). Aaron and Mullen (1992:132) evaluate that the trend in the collection of these taxes has declined in many countries due to the fact that they yield little revenue for the government.

For the purpose of this study, only the annual net wealth tax on individuals and corporations is discussed. Wealth transfer taxes are not discussed as it is regulated in the same way in many countries with the only major difference relating to their rates. Wealth transfer taxes are also more common around the world than wealth taxes (Chatalova & Evans, 2013:434). Wealth taxes do not depend on a certain event to occur, for example, the passing of a person or the assets being given as a gift to someone else, as is the case with wealth transfer taxes (Brown, 1991:344). Wealth taxes can be levied annually on the value of a person's net wealth whereas wealth transfer taxes are only levied when a certain event occurs (Cremer & Pestieau, 2009:7).

Ristea and Trandafir (2010:300) argue that the interpretation of (1) what wealth tax is and (2) what it is imposed on, differs between countries. Table 1.1 outlines the European countries that still impose wealth tax on its taxpayers. The term used to refer to wealth tax in a particular country, what wealth tax is imposed on, the annual wealth tax rate, and the year in which the rate was applicable, are all illustrated in Table 1.1.

Table 1.1: Net wealth tax still imposed in European countries

Country	Wealth tax term	When/on what imposed	Annual rate	Year applicable
France	Solidarity tax on wealth	Net worth exceeding $936 924*	0.5%–0.15%	2017
Luxembourg	Net wealth tax	Net assets exceeding $585 578*	0.5%	2017
Norway	Net worth tax	Net assets exceeding $148 717*	0.7% municipal and 0.15% national	2017
Spain	Spanish wealth tax	Assets exceeding $177 677*	0.2%–2.5%	2015
Switzerland	Net worth tax	Net assets exceeding $99 802*	0.13%–0.94%	2015

Source(s): Belvin (2015), Deloitte (2015:19), Deloitte (2017:30), Deloitte (2017a:2), Deloitte (2017b:22)

***** All currencies were converted from their currency of origin to the United States Dollar ($) (USD) as to reflect a common denominator (Oanda, 2017).

From Table 1.1 it is evident that all the countries outlined impose net wealth tax at a rate less than one per cent.

Piketty (2014:356) asserts his support for the global net wealth tax introduction, by stating that taxation is not only a way of necessitating all residents to contribute to the financing of government expenditures and developments and to allocate the tax burden as fairly as possible—it is also useful for the establishment of classifications, promoting awareness, as well as transparency.

Madaleno (2012) argues that although a number of countries that implemented net wealth taxes abolished it later, Iceland seems to have gained from the introduction of net wealth taxes. Madaleno (2012) argues that due to the capital controls that Iceland enforced after its implementation of net wealth taxes in 1997, they were able to repay their International Monetary Fund (IMF) loan faster than any other country.

It is evident from previous studies, that emphasis has been placed on either only the reasons behind the implementation or the abolishment of net wealth tax in certain countries. However, limited studies have been performed on the comparison between the implementation and the abolishment of net wealth taxes for different countries. The comparison between the reasons for the implementation and abolishment of net wealth taxes may clarify whether it is still a viable solution to the wealth inequality and horizontal equities faced by many countries.

1.2 PROBLEM STATEMENT

Net wealth tax was initially implemented in 1719 by Switzerland, followed by Denmark in 1904, Sweden in 1910, Norway in 1911, and the Netherlands in 1914. The implementation of net wealth tax increased from then onward, as two countries implemented in the 1930s, four in the 1950s, and 11 countries implemented between the 1960s and the 1990s. By the 2000s only three additional countries had implemented net wealth tax. This may imply that the popularity of net wealth tax among countries declined. Among the 25 countries that implemented net wealth tax, 14 of them subsequently abolished it during the 1990s and 2000s, with the most recent countries being India and Slovenia in 2016.

The research question therefore rests upon the fact that 25 countries had implemented net wealth tax, of which only 11 still enforce it to date. Therefore, the aim of this study is to obtain a possible association between the initial reasoning for the introduction and the subsequent abolishment of net wealth tax among the various countries to determine if they are linked or not. This possible association could assist the DTC, currently investigating the feasibility of implementing net wealth tax in SA. Therefore, the different understandings and reasons for the implementation or abolishment of net wealth tax identified through this research study, may then be used as guidance for SA to examine the possible implementation of their own net wealth taxes in future.

1.3 OBJECTIVES OF THE STUDY

The following research objectives have been formulated to answer the research question:

1.3.1 Primary objective

The primary objective for this study is to gain an understanding behind the reasons for the implementation and abolishment of net wealth taxes among various countries.

As SA is currently investigating the feasibility of implementing net wealth tax, the understanding gained from the various countries that have already implemented or abolished net wealth taxes could aid in the decision-making process when assessing the feasibility of net wealth tax in SA for possible future implementation.

1.3.2 Secondary objectives

In order to achieve the primary objective, the following secondary objectives have been formulated:

- Investigate the history and the components of net wealth tax worldwide.
- Determine the overall reasons for the implementation and subsequent abolishment of net wealth taxes worldwide.
- Compare SA's possible implementation reasons with other countries' reasons.

1.4 RESEARCH DESIGN AND METHODOLOGY

Research methodology describes the basis for applying particular measures used to classify, select and scrutinise data and applying it in order to answer the research problem. It answers the questions of how data were collected and how it were scrutinised (Creswell, 2014:2; Leedy & Ormrod, 2010:3; MacMillan & Schumacher, 2001:166; Durrheim, 2004:29). Research design and methodology makes use of either qualitative or quantitative methods, or a combination of both methods, to analyse data (Creswell, 2014:5).

This study followed a qualitative research method—a systematic review was conducted to achieve the research objectives. Through the systematic literature review.

1.4.1 Qualitative research

Maxwell (2013:3) and Thomas (2010:302) argue that qualitative research is mainly investigative research that is used to gain an understanding of underlying reasons, opinions and motivations. They also state that it provides comprehension of the problem statement, or helps to advance ideas or hypotheses. In order to perform the qualitative search the two types of literature reviews are conducted namely the traditional literature review and the SLR as explained by Cronin *et al.* (2008:38).

1.4.2 Literature review

Baumeister and Leary (1997:317) and Hart (1998:13-14) explain that the *"purpose of a literature review is to provide a basis for accepting a conclusion without taking someone's word for it"*. For this study, specifically, a literature review was conducted to obtain a theoretical viewpoint for the study in order to acquire a clear understanding of the taxation on wealth around the world. The information gathered was used Type equation here.to reach the primary as well as secondary objectives by including a review of the overall reasons behind the implementation or abolishment of net wealth taxes by different countries that have implemented net wealth taxes in the past. The information was gathered from peer-reviewed journal articles only. This information was gathered using SLR as it is defined as a comprehensive systematic review of a particular topic that should be reproducible due to its standardised process (Tran *et al.* 2013:1065). The SLR was specifically done in order to obtain the literature from the most prominent experts in the field of net wealth taxation and to obtain the most appropriate and relevant literature so as to ascertain reliability of the study.

1.4.3 Systematic literature review (SLR)

Kitchenham and Charters (2007:3) and Whittemore and Knafl (2005:546) explain that SLR can be defined as a means of identifying, assessing, and deducing the relevant literature available to a particular discipline in order to answer specific research questions. They also state that data contributing to SLR are called primary studies; SLR is a form of secondary study. They further argue that a systematic review is a way of synthesising existing work in a manner that is fair, and seen to be fair, due to the fact that unless a literature review is thorough and fair, it is of little scientific value. The major disadvantage of SLR is that it requires substantially more effort than traditional literature reviews (Kitchenham & Charters, 2007:3; Whittemore & Knafl, 2005:546).

Cronin *et al.* (2008:39) further state that SLR involves taking the discoveries from numerous studies on the same subject and examining them, using standardised statistical procedures. This helps to reach conclusions and to discover patterns and associations between discoveries. The SLR was, however, limited to only the abolishment and implementation reasons for other countries. The journal articles for SA were not included in the SLR process.

1.5 ETHICAL CONSIDERATIONS

Clearance regarding the ethical issues with regard to the research was obtained from the North-West University Ethics Committee.

1.6 CHAPTER CLASSIFICATION

This study comprises the following chapters:

Chapter 1: Introduction and background to the study
This chapter provided an introduction to net wealth taxes and wealth transfer taxes as well as how net wealth taxes are regulated across different countries. The problem statement, objectives as well as the methodology to be followed were provided.

Chapter 2: Research design and methodology
This chapter focuses on the method used to gather information, discussed in Chapter 3 and Chapter 4, through SLR.

Chapter 3: Literature review
This chapter focuses on the literature, as identified by SLR, that discusses the taxation of wealth used to address the problem statement, primary, and secondary objectives.

Chapter 4: Conclusion, limitations and recommendations
In this chapter the conclusion of the study, the limitations of the study, recommendations and areas for further research are outlined.

CHAPTER 2: RESEARCH DESIGN AND METHODOLOGY

2.1 INTRODUCTION

Research is the process of understanding an occurrence by means of collecting, assessing, and deducing data. It is a systematic process of defining the objective, managing the data, and communicating the findings within established frameworks (Williams, 2007:65). Hancock *et al.* (2009:6) outline that all research must involve a disciplined systematic approach to discover evidence using the method most appropriate to the research question. Mouton (1996:63) and Williams (2007:65) explain that there are different approaches to conduct research, namely (1) quantitative methods, (2) qualitative methods and (3) mixed methods. They also state that selecting the appropriate method for the research lies within the research question. They further state that when the research question is more objective in nature, the researcher will use a quantitative method and collect numerical data. When the research question is more subjective in nature a qualitative method is chosen and the researcher will use textual data.

This chapter describes the worldview of the research and the qualitative research design and methodology used in this study. It explains the rationale for conducting an SLR and document analysis, with the aim to gain an understanding of the reasons for the implementation and abolishment of net wealth taxes among various countries. This may aid the decision-making process of the SA government in the possible implementation of net wealth tax as SA is currently investigating the feasibility of implementing net wealth tax. This chapter also explicates limitations encountered in using an SLR and considerations regarding the validity of this study.

2.2 WORLDVIEW OF THE RESEARCH

Cronje (2014:1) recommends that research should be within a particular paradigm of thinking to avoid such an inquiry to remain on a technical level. A paradigm is a shared worldview that represents the beliefs and values in a discipline and guides how problems are solved (Schwandt, 2001:183). Research of sociological nature reflects the objective-subjective and the regulation-change aspect (Burrell & Morgan, 2005:2). They outline that a research paradigm is an extensive structure of consistent practice and thinking that defines the nature of inquiry along different dimensions and when these dimensions are subsets of each other, four sets of assumptions (ontology, epistemology, human nature, and methodology) emerge. Lather (1986:259) explains that research paradigms inherently reflect our beliefs about the world we live in and want to live in.

"A paradigm hence implies a pattern, structure and framework or system of scientific and academic ideas, values and assumptions" (Olsen *et al.*, 1992:16). There are four paradigms in social sciences research: radical structuralist, humanist, functionalist, and interpretivist (Burrell & Morgan: 2005:22). The following section explains the paradigms of social research. The radical structuralist follows a quantitative approach and uses strategies that comprise of investigations to measure effects, especially through group variations.

2.2.1 Research in the humanist paradigm

The radical humanist focuses on the sociology of fundamental change, approaches of dominance, emancipation, scarcity and potentiality from a subjectivist point of view (Burrell & Morgan, 2005:32). They believe that people are restricted in organisations of society that are made and maintained by them and their aim is to create a pathway so that humans can break free from the existing social patterns that trap them in the social organisation and alter the social world by adjusting protocols of perception and realisation (Burrell & Morgan, 2005:33). The radical humanist recognises the ontological point of the social world and has some characteristics in common with the interpretivist (Burrell & Morgan, 2005:32).

2.2.2 Research in the functionalist paradigm

The functionalist paradigm originated in the sociology of guideline and is mainly used to study organisations and the behaviour of academic sociology from an objectivist point of view (Burrell & Morgan, 2005:26). They also explain that societal theorists, industrial sociologists, psychologists, and industrial relations theorists mostly use this paradigm. They are principally radicals, determinists and nomothetic. Their standpoint is dominantly pragmatic and focuses to understand society from a problem-orientated approach. The functionalist aims to gather practical information, gain concrete solutions and to solve real-world problems (Burrell & Morgan, 2005:26-28).

2.2.3 Interpretivist

This study is rooted in the interpretivist paradigm as it is qualitative in nature and textual data are needed to address the research question. This study is also subjective which makes the interpretivist paradigm more appropriate. The interpretivist paradigm is therefore explained in more depth.

Cohen *et al*. (2003:19) explains that the interpretivist methodology intends to discover and comprehend phenomenon inductively. Interpretivists believe that the "*social world can only be understood from the standpoint of the individuals who are part of the ongoing action being investigated*" (Cohen *et al*., 2003:19). For this reason, interpretive researchers start with trying to understand the interpretations of the world adjacent to individuals. Cohen and Manion (1994:36) explain that interpretivist methodologies to research intend to consider "*the world of human experience*". The interpretivist researcher tends to rely upon the contributors' views of the circumstance being studied (Creswell, 2014:8) and recognises the impact on the research of their own background and experiences. Interpretivist do not normally commence with a theory, but rather they produce or inductively develop a theory or pattern of meanings throughout the research process (Creswell, 2014:9). Merriam (1998:5) argues that this assumes that meaning is entrenched in the contributors' experiences and that this meaning is mediated through the researcher's own perceptions. However, as this research wants to refer to the "voices" of experts in the field of net wealth tax it was feasible to select the "voices" through documents of those in the field of net wealth tax. Interpretative research can also be explained through ontology, epistemology, methodology and human nature as discussed below.

2.2.3.1 Ontology

Blaikie (2007:13) and Merriam (2009:8) outline that ontology is an area of philosophy that relates to the nature of social reality, with an essential belief in a peripheral reality, which implores reason rather than experience. Ontology's main purpose is to determine how individuals view realism (Mack, 2010:5) and the connection between people, society and their environment (Eriksson & Kovalainen, 2008:13). Blaikie (2007:14) explains that in social sciences, ontology adopts two concepts: (1) social activities that take place if there are resources and innate networks; and (2) reality that is built through social activities by those involved in the activity, using their rational skills. One of the characteristics of ontology is the clear division between objectivism and subjectivism. Subjectivism from an ontological point of view considers people's actions and activities not independent of their social worlds (Eriksson & Kovalainen, 2008:13).

2.2.3.2 Epistemology

Epistemology is known as the theory of knowledge, how people acquire knowledge, and to what extent they can obtain knowledge of their environment, (Blaikie, 2007:19; Merriam, 2009:8). It refers to the nature of the relationship between the researcher and it indicates the nature of human knowledge and understanding that can possibly be developed through different types of investigation and methods (Hirschheim *et al*., 1995:20).

Blaikie, (2007:19), Eriksson and Kovalainen (2008:15), and Mack (2010:5) explain that epistemology describes the criteria to gather information, the methods to access knowledge, the process to assess whether the information acquired is candid and adequate, and the techniques to assess the limitations and details of knowledge. It aims to represent and describe reality (Hatch, 2006:14). Epistemology defines and structures the method of inquiry and its questions are the foundation for research (Eriksson & Kovalainen, 2008:19). Ontology and epistemology have an inter-reliant connection as they both provide information and depend on each other in the research process. The ontological and epistemological theories integrated, form a paradigm (Mack, 2010:5).

2.2.3.3 Methodology

Denzin and Lincoln (2008: 29) state that "*qualitative researchers deploy a wide range of interconnected interpretive methods, always seeking better ways to make more understandable the worlds of experiences they have studied".* Interpretive researchers, therefore, use diverse methodologies such as case studies, phenomenology, and ethnography. Mackenzie and Knipe (2006:3) identify that researchers using a qualitative methodology plunge themselves into a philosophy by detecting its people and their interfaces, often participating in activities, interviewing key people, taking life histories, constructing case studies, and analysing existing documents; unlike positivism that depends on quantifiable interpretations which lends itself to statistical analysis.

2.2.3.4 Human nature

Human nature talks about the relationship between man and society, how a person understand the activities which people engage in, how you are exposed to other's points of view, and how you adopt an opinion based on being exposed to other's ideas (Burrell & Morgan, 2005:7).

2.3 RESEARCH DESIGN: QUALITATIVE

Mouton (1996:175) explains that research design can be viewed as the master plan of research that outlines how the study is to be conducted. Research design gives guidelines from the fundamental theoretical expectations to methods and data collection. Welman *et al*. (2009:46) explain that research design concentrates on the product and all the steps in the process to achieve that product, therefore, research design provides the researcher with a clear research framework: "*it guides the methods, decisions and sets the basis for interpretation*". For this study, a qualitative research design was followed. The following section explains the qualitative research design pertaining to this research.

Williams (2007:67) reasons that qualitative research is a general approach that involves discovery; it is also defined as a model that simplifies the existences in a natural setting that enables the researcher to develop a level of element from high immersion in the actual experiences. Likewise, Leedy and Ormrod (2001:15) identify that qualitative research is less organised in description as it formulates and builds new theories—it is from the observational elements that pose questions that the researcher attempts to explain. Brikci and Green (2007:2) indicates that qualitative research is categorised by its objectives, which relate to gaining an understanding towards certain features of social life, and its methods of analysing data by generating words, rather than numbers. For this study, the qualitative data involved an SLR process with a document analysis. Kowalczyk and Truluck (2013:219) argue that the most important goal of a literature review is to bring the researcher the latest literature on a topic and form a foundation for another goal, such as the validation for future research in the area. "*A good literature review collects data about a specific subject from many sources; it is well-written and contains few, if any, personal biases*" (Kowalczyk & Truluck, 2013:219). Cronin *et al.* (2008:39) assert that there are different methods to conduct a literature review—the traditional literature review and the SLR. Kowalczyk and Truluck (2013:219) are of the opinion that traditional literature reviews and SLR mainly differ with the procedures used in the review process. The traditional literature review provides a comprehensive outline of a research topic without a clear methodological tactic; the information is collected and interpreted unsystematically (Rother, 2007:15). However, when conducting an SLR the researcher clearly identifies inclusion criteria for the review before the literature is selected, and has to demonstrate that these criteria are adhered to in a consistent manner. As this study involved specific documents concentrating on net wealth tax, an SLR process was an appropriate data collection strategy.

2.4 DATA COLLECTION: SLR

The SLR process is a more stringent and well-defined method to review the literature in a specific subject area. It is used to answer rigorous questions as well as to present the extreme range of evidence and the literature from expert authors (Barratt *et al.*, 2009:120). There are several reasons for the adoption of an SLR: (1) it summarises the existing evidence concerning a research question, (2) it identifies if there are any gaps in the current literature in order to suggest areas for further investigation, (3) it provides a framework or background in order to properly locate new research activities, (4) it establishes to what extent existing research has proceeded concerning explicating a particular problem, (5) it describes directions for future research, (6) it gives details of the timeframe within which the literature was selected, (7) it affirms the process to evaluate, synthesise and report on the findings of the studies in question, and (8) it documents the process so that any researcher will be able to reproduce the process (Bem, 1995:172; Baumelster & Leary, 1997:312; Kitchenham & Charters, 2007:3).

Figure 2.1 illustrates the systematic review process adhered to in this study by stating where each step fits in and the important information of what was done under each step. This is followed by a more detailed discussion. It illustrates that the process of an SLR begins with the formulation of a research question followed by the development of a review protocol. The identification of relevant literature, the selection of the primary study, the quality assessment of the selected study, the extraction and synthesis of data are also covered within the SLR process and it is concluded by reporting the literature identified in order to answer the research question.

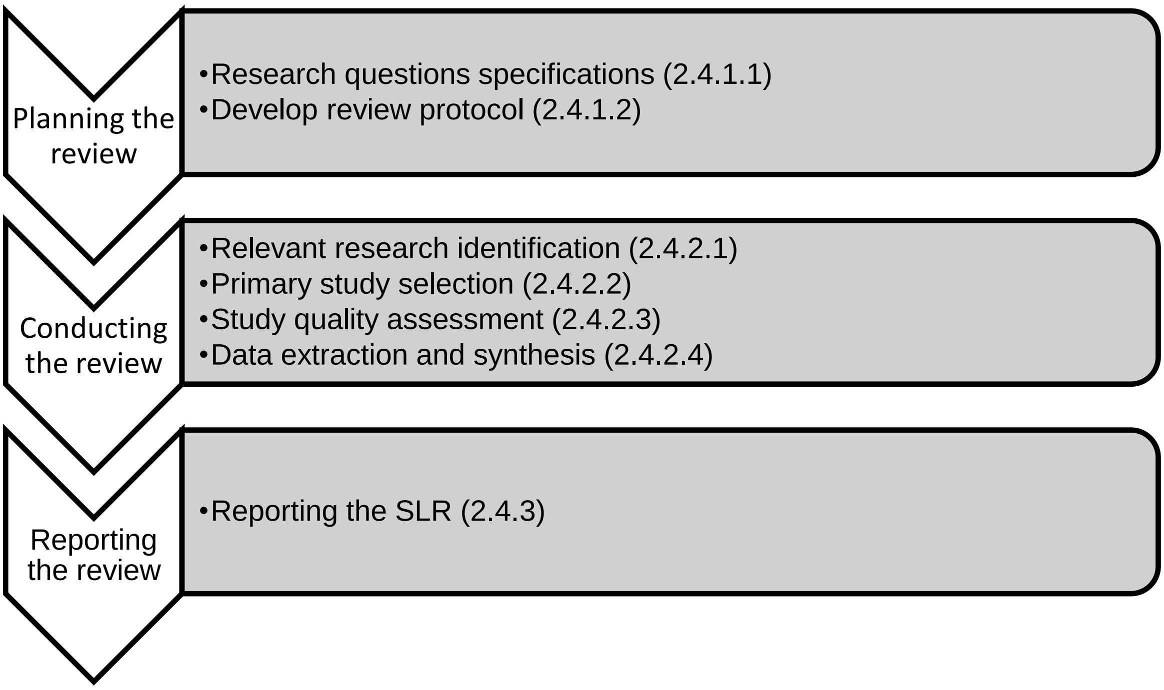

Figure 2.1: The SLR process for this research

Source: Brereton *et al.* (2007:573 and Kitchenham and Charters, (2007:6), adapted

The following sections describe the processes followed for this SLR.

2.4.1 Planning the review

Kowalczyk and Truluck (2013:220) point out that the SLR process begins with a thorough plan that identifies the objectives, concepts, and methods to be used prior to the review. Brereton *et al.* (2007:570) and Kitchenham and Charters (2007:7) identify planning as the initial phase of the SLR, which encompasses a plan of all the steps to follow. The starting point of the planning phase of the SLR for this study is the specification of research questions, followed by the development of the SLR protocol.

2.4.1.1 Research question specification

Kitchenham and Charters (2007:9) stress that specifying the research questions is the most vital part of any SLR as the research process must identify relevant primary studies. The data extraction process must extract the relevant data items and the data analysis process must synthesise the data in such a way that the research questions are addressed (Kitchenham & Charters, 2007:9). The SLR for this study aims to answer the research problem through the primary and secondary objectives (paragraph 1.3.2): (1) investigate the history of net wealth tax worldwide, (2) determine the overall reasons for the implementation and subsequent abolishment of net wealth taxes worldwide, and (3) compare SA's possible reasons for implementation with that of other countries. The research questions drive the entire SLR methodology and is the basis for the development of a review protocol.

2.4.1.2 Develop a review protocol

Kitchenham and Charters (2007:12) explain that a review protocol is a detailed plan to conduct the SLR and provides a method to select primary studies. Perry and Hammond (2002:33) argue that the protocol should be based upon an initial evaluation of all the possible relevant literature. This can be achieved by conducting a scoping review (a quick search of the literature) that assists to classify the capacity of literature published on the topic and to find the current and past completed SLRs.

Table 2.1 outlines the review protocol for this study, which comprises of six steps included in the planning and conducting of the SLR. The review protocol roadmaps and guides the SLR process. These six steps enabled the researcher to conduct the review systematically as well as address the research questions.

Table 2.1: Review protocol

Protocols	Protocol guidelines	Application of the protocol
	Planning	
1. Research questions	These are the questions that the review intends to answer	The research questions formulated in Chapter 1 in section 1.3.2 are answered through this review
	Conducting the review	
2. Strategy for primary studies search	This describes the search strategy used to search for primary studies, including search terms and resources to be searched. Resources may include digital libraries and other sources.	A preliminary literature review was conducted prior to the SLR so as to determine the keywords and which sections to include in the study. The resources that were used were chosen based on their relevance to answering the research question.
3. Study selection criteria	Study selection criteria are used to determine which studies are included in, or excluded from the systematic review. It is usually helpful to pilot the selection criteria on a subset of primary studies.	The selection criteria are applied to the articles that were previously published and which proved to be relevant to this study. The selection criteria consists of the keywords for the study, the relevance of the article title and abstract to the study, and the overall quality of the article used to identify the relevant literature for the SLR that assists in answering the research question.
4. Study selection procedure	The procedure should describe how the selection criteria were applied.	The study selection procedure involves studying the title and the abstract of the articles after applying the strategies to reduce hits. If the article meets the inclusion and the exclusion criteria then the article was set aside for quality assessment.
5. Study quality assessment checklists and procedures	The researcher should develop quality checklists to assess individual studies at the final stage of an SLR. The purpose of the quality assessment guides development of checklists.	The quality assessment checklists were developed during the final selection phase in order to assess the quality of the article before it could be chosen for thorough reading.
6. Data extraction strategy and synthesis	This defines how the information acquired from each primary study is obtained from the final articles selected.	The ATLAS.ti™ programme used for analysing the qualitative data was used to extract the relevant information from the articles that were selected as final articles that answer the research question.

Source: Brereton *et al.* (2007:573) and Kitchenham and Charters (2007:6), adapted

2.4.2 Conducting the review

Conducting the review pertains to the identification and selection of the relevant literature, the quality assessment of the articles to be chosen, the data extraction process, as well as the data synthesis.

2.4.2.1 Relevant literature identification

Sheuly (2013:20) argues that a search strategy to be used for the identification of relevant literature, that can be used to answer the research questions, is determined by the researcher and followed based on the review protocol to conduct the review. To effectively identify the relevant literature the following was done: (1) formulated keywords, (2) formulated search strings, (3) chose appropriate sources, (4) identified appropriate databases, (5) undertook a general search, (6) undertook an actual search, and (7) formulated strategies to reduce hits.

Keywords

The process of identifying the literature began with the formulation of keywords that can be used as search terms. These keywords were formulated by deciding on what words best describes the literature needed to answer the research question. The following keywords/search terms formulated at this stage were considered to be initial keywords:

- Wealth
- Wealth tax
- Wealth tax implementation
- Wealth tax abolishment
- Wealth transfer tax
- Capital tax

These keywords were considered to be initial keywords and were used to formulate appropriate search strings in order to obtain the most relevant literature available to answer the research question for this study. The keywords were reduced at a later stage as others did not generate the desired number of hits as illustrated in Addendum 2.1.

Keyword search strings

The first keyword (wealth) generated too many hits during the trial search conducted on Google Scholar™ with **3 490 000** hits, most of which were irrelevant to this study. Most hits returned using "wealth" as the search term did not describe wealth, but rather incorporated other topics that would not be able to assist in answering the research question. It was therefore set aside for the next step of SLR for this study, which is the formulation of keyword search strings.

The search strategy assisted the researcher to search for relevant literature on the selected databases. The search strategy involved the formulation of keyword search strings that makes use of Boolean logic (e.g. OR, AND, NOT) to identify the most effective combination of keywords (Table 2.2).

Table 2.2 Search strategy

Fields searched	Search terms
Title + abstract + keywords	Wealth "AND" tax
Title + abstract + keywords	Wealth "AND" tax "AND" implementation
Title + abstract + keywords	Wealth "AND" tax "AND "abolishment
Title + abstract + keywords	Wealth "AND" transfer "AND" tax
Title + abstract + keywords	Capital "AND" tax

Source: Researcher's own adaptation

Following the search strategy development, the researcher had to decide which sources to use, based on their relevance to the study.

Sources

A source of information can be defined as a person, a thing, or a place from which information can be obtained—it provides knowledge on different subjects. There are many sources including, but not limited to, journal articles, books, Internet studies, theses and dissertations, and the statutes that contain relevant information. Table 2.3 outlines the reasons for the selection of specific sources chosen for this study.

Table 2.3: Rationale for source choice

Sources	Selected/ Not selected	Reason
Journal articles	Selected	A lot of research is done and a journal article is mostly reviewed by relevant experts before it can be published making it more reliable to use for this study.
Books	Not selected	Books mostly contain information relating up to a particular year and this makes it less reliable for research purposes as most laws particularly tax laws change almost every year.
Internet articles	Not selected	The opinion of the author is the only one presented in an Internet article, therefore making it less reliable for academic purposes.
Theses and dissertations	Not selected	Although these are considered as research papers and reviewed by experts in the field, thus making them reliable sources for academic research purposes; they are not easily accessible through the digital library.
Statutes	Not selected	These are published by the respective governments and include recent changes to the different laws making it more reliable, however, they are not easily attainable and may not be written in the English language but written in the official language of the respective countries.

Source: Researcher's own interpretation

The researcher decided to only select journal articles as the appropriate source for this study. This decision was supported by three facts namely quality, searchability, and symmetrical format and terminology.

- Quality

David and Han (2004:39) explain that journal articles have been through a strict peer review process that acts as a screen for quality. Relying on published results is appropriate when the published research contains masses, or in some cases several hundred publications relevant to the research topic (Cooper, 1989:53).

- Searchability

Academic databases include thousands of journal articles that are searchable by keyword, title, abstract and full text. The North-West University library has access to the four databases that assisted the researcher to search for the articles.

- Symmetrical format and terminology

Systematisation can easily be attained given the comparable format of journal articles. A typical article layout includes sections for an abstract, literature review, methodology, findings, implications, and conclusions (Brown, 2007:30). Academic research tends to also build on previous studies and uses comparable jargon (Brown, 2007:30). This is seldom the case when examining data in for example books, magazines, and newspapers (Brown, 2007:30).

Databases

With the assistance of a senior librarian at the North-West University Vaal Triangle campus library and expert in the field of searching for relevant literature, the following databases were included: Scopus, EBSCOhost, Emerald Insight, and JSTOR. Table 2.4 gives an outline and a description of the databases used for this research.

Table 2.4: Database description

Database	Description *
Scopus	*“Scopus is the largest abstract and citation database of peer-reviewed literature: scientific journals, books and conference proceedings.”*
EBSCOhost (Econlit, Masterfile Premier, Academic search and Business source premier)	*“EBSCOhost is the world's most-used reference resource. It is a customizable, intuitive search experience designed to cater to user needs and preferences at every level of research. EBSCOhost offers a streamlined look and feel, for a technologically sophisticated, yet familiar search experience, with the built-in flexibility to provide individual user customization options.”*
Emerald Insight	*“Emerald Publishing was founded in 1967 to champion new ideas that would advance the research and practice of business and management. Today, we continue to nurture fresh thinking in applied fields where we feel we can make a real difference, now also including health and social care, education and engineering.”*
JSTOR	*“Jstor provides access to more than 10 million academic journal articles, books, and primary sources in 75 disciplines.”*

Source: *Taken from the databases’ websites

General search

A general search was performed on Google Scholar™ with the words “wealth tax”, being the main topic of this study. The reason for the general search was to determine if sufficient literature is available that might assist in answering the research question. The general search returned **2 120 000** hits and this concluded that there is sufficient literature for this study. This therefore meant that an actual search for the relevant literature could now be undertaken.

Actual search

The actual search began with an initial search, making use of the search strategy outlined in Table 2.3, across all four databases described in Table 2.4. The initial search returned **540 799** hits. The large number of hits returned from the initial search made it necessary to develop strategies to reduce the number of hits to a number that is both practical and an appropriate representative sample for this study. The strategies formulated to reduce hits, reduced the hits from **540 799** to **329** as outlined in Addendum 2.2.

Strategies to reduce hits

The strategies to reduce hits for this study included, quotation marks, source types, subject matter, number of pages per search, accessibility of article, availability of full text, and the removal of duplicate articles and articles without authors.

- Quotation marks

  The search term was enclosed with quotation marks in order to avoid finding similar terms. This is important where a specific word needs to be included as a whole in the title, abstract or the keywords of the article.

- Sources

  The sources were chosen as outlined in Table 2.3.

- Subject

  A subject is a field of study. Each database had different subjects with economics being the popular one across all databases. Other subjects were chosen based on their relevance to this study as were the case with EBSCOhost, Scopus, Emerald Insight and JSTOR (Table 2.5).

Table 2.5: Subject choice per database

Databases	Subject
Scopus	Economics
	Econometrics
	Finance
EBSCOhost	Wealth tax • Tax law • Wealth tax • Wealth tax history • Economic impact • Economic research • Economics
	Wealth transfer tax • Inheritance and transfer tax • Taxation law and legislation
	Capital tax • Economic aspects
Emerald Insight	Economics
JSTOR	Economics

Source: Researcher’s own adaptation

Table 2.5 illustrates the subject choice per database with the most common one being economics. With regard to EBSCOhost the subject choice was more lenient as the subjects that were more relevant to the study were chosen as it had more than one subject for each search term entered in the search engine.

- Number of pages

  Due to the volume of the original actual hits generated it had to be reduced further to leave only studies relevant to this study and the number of pages had to be decided upon. Only the first five pages of each search were included in the primary search results due to the time constraints of having to evaluate all pages generated.

- Accessibility of articles and availability of full text

  The next step to reduce the remaining hits was to determine the availability of the articles and whether they are available in full text on the chosen databases.

  i. Scopus

  Scopus automatically redirects you to another page with links that you can choose to access the article. For some articles, the page redirected to the NWU repository where there should have been access to the article, but unfortunately with the NWU repository the researcher was redirected to a different article than the one on the database.

ii. EBSCOhost

EBSCOhost has a function where the researcher may obtain an idea of which articles are accessible and are available in full text and which are not. There are different icons with their explanation on the side that indicates which articles are available in full text and which are not.

iii. Emerald Insight

Emerald Insight’s layout allows the researcher to detect which articles are accessible and which ones are available in full text by placing icons before each article that is explained at the top of the database page.

iv. JSTOR

All the articles on this database were available with access to their full texts.

- Duplicate articles

  All the hits from the previous step were exported to EndNote and saved in folders according to the databases that they were obtained from. At this stage, duplicate articles were removed as part of the strategy to reduce the number of original hits. The remaining hits were scanned to ensure that no duplicate articles still remained. At this stage, the researcher realised that due to the fact that some articles had the author names or the title of the article written differently, the EndNote programme did not identify them as duplicates. Therefore, the researcher had to read the title and author name of all articles that remained in the programme in order to remove those that the programme could not automatically detect as duplicates.

- Articles without authors

  The articles were exported to the EndNote™ software, which sorted the articles according to either the publication year or the name of the author in alphabetical order. The researcher realised that there were some articles that were displayed without the author names and upon further investigation after having opened the articles, the researcher concluded that these articles indeed did not indicate the authors. The researcher then removed all the articles without authors as the author plays a role in determining the authenticity of the publication. Addendum 2.3 illustrates the number of hits remaining after the strategies to reduce hits were employed before the selection of the primary study.

2.4.2.2 Primary study selection

Sheuly (2013:30) argues that the study selection is used to classify and select the most suitable and applicable study materials from the searched documents. This identification process was executed using the study selection criteria, consisting of both the inclusion and exclusion criteria. These criteria are based on the research question. Following the application of the strategies to reduce hits there were **329** search results as outlined in Addendum 2.3.

Inclusion and exclusion criteria

At this point, the researcher had to read the title and abstract of all articles that remained after the strategies to reduce hits were performed. The articles with titles and abstracts that were irrelevant to this study were excluded. At this point **265** articles were excluded which left **64** articles to be included for the next step as illustrated in Addendum 2.4. The articles included were then subjected to the next step (selection criteria) for further perusal before finalising the list of the articles to be included to address the research question.

Selection criteria

The selection criteria initially involved the use of a CTRL+F function on the PDF versions of the articles. The articles which had more than twenty occurrences of all keywords combined were then chosen as the final articles. This method was decided upon by the researcher as no other methods used in previous SLRs proved to be effective. The keywords, which appeared in the articles' reference lists were not included as part of the total keywords, as they did not form part of the articles' literature. However, six articles were not in the correct PDF format therefore the CTRL+F function could not be used on them and after reading the articles, it was decided to exclude them. The CTRL+F function was therefore used on the remaining **59** articles that were left as outlined in Addendum 2.5. Figure 2.2 illustrates the flow of the document selection from the initial hits obtained to the last phase of applying the inclusion and exclusion criteria as well as the selection criteria.

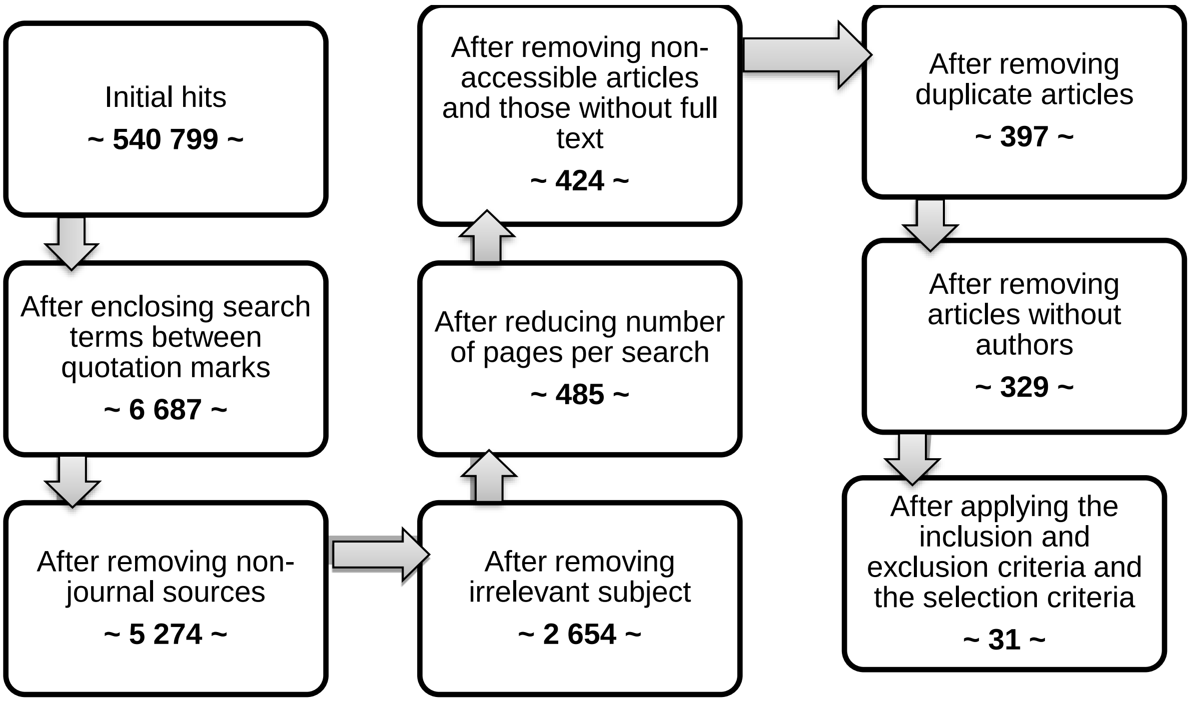

Figure 2.2: Document selection flow diagram

Source: Researcher's own adaptation

2.4.2.3 Study quality assessment

Brown (2007:34) explains that analysing the quality of the identified primary documents helps to modify the inclusion and exclusion criteria. A quality instrument for this study involved criteria as outlined in Table 2.6. The screening criteria were developed as part of the document analysis to evaluate the quality of the article in relation to its relevance to this study and was applied during the inclusion and exclusion criteria. The articles were read in detail in order to determine their relevance and assess their quality in answering the research question. This screening criteria are therefore a checklist of factors that need to be assessed for each study. The primary studies were assessed with respect to the demands of the checklist.

Table 2.6: Screening criteria

Screening criteria Does the article address:	**Yes**	**No**
1. Wealth tax on individuals.		
2. Wealth tax on different/specific countries.		
3. The reasons for the implementation/abolishment of wealth tax.		
4. What wealth is?		
5. Wealth transfer taxes.		
6. Capital taxes.		

Source: Researcher's own adaptation

These screening criteria were used to determine the quality of the article before it could be used to answer the research question.

2.4.2.4 Data extraction and data synthesis

Brown (2007:38) and Sheuly (2013:21) explain that the objective of this stage is to formulate a strategy to extract data effectively and to accurately record the data acquired from the primary study. The extraction of the data from the articles chosen at the final stage was made using the ATLAS.ti™ application in order to further analyse the articles and the results. ATLAS.ti™ is a computer-aided qualitative data analysis system used to integrate the qualitative data from the pool of collected literature. It makes use of codes, quotations and memos that assist in the analysis of the data and extracting the required information for the study. However, before this analysis process occurred the researcher did a word cloud in ATLAS.ti™ version 8 to double-check if the selected articles pertaining to the research question focused on the main aspects (wealth and tax) of the research. Figure 2.3 illustrates the word cloud generated from the selected documents. This affirmed that the documents selected addressed the main aspects of the research.

The codes used to extract the required literature were formulated after text manager was extracted from ATLAS.ti™ after the final selected articles were imported into the programme. The text manager pools all the articles and searches for words that occur most frequently and uses them to create a word cloud as presented in Figure 2.3.

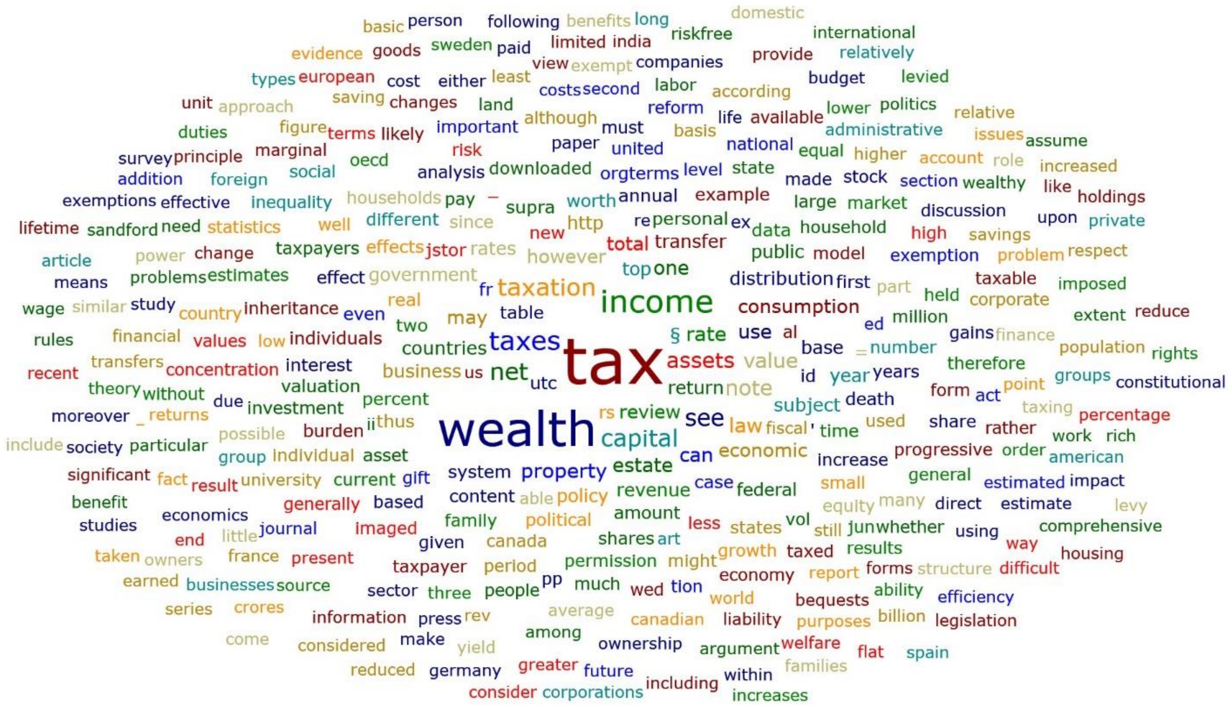

Figure 2.3: Selected articles word cloud

Source: Researcher’s depiction using ATLAS.ti™

Figure 2.3 highlights the words that are dominant among the selected studies with wealth and tax being the predominant words. This validates the choice of the articles as the word cloud highlighted the words that best describes the study.

Gibson and Brown (2009:130) define coding as a way of creating categories that are used to depict general features of the data by focusing on common parts in a data set. Gibson and Brown (2009:134) state that to determine features of information that should be developed as codes primarily involves “following hunches”, they also outline the following reasons for creating codes:

- Something that occurs more than once
- Something is said with strong emphasis
- People disagree
- Mistakes occur

Sheuly (2013:21) argues that data synthesis involves organising and summarising the results of the included primary studies. The extracted information is then synthesised in order to report the results of the scrutinised primary studies. This synthesis of extracted data provides the answer to the proposed research question. The extracted answers may not come from a single study.

2.4.3 Reporting the review

The review is reported by making use of the literature review from Chapter 3 based on the final articles illustrated in Addendum 2.6 in order to answer the research questions as highlighted in Section 1.3 of the study. The SLR was, however, only applied to the implementation and abolishment reasons for other countries while the literature relating to SA did not form part of the SLR as SA has not yet implemented annual net wealth tax, therefore, its literature had to be obtained from sources such as government publications, journal articles, online articles and online newspaper articles. In order to properly structure the literature presented in Chapter 3, ATLAS.ti™ was used to extract the literature by making use of codes that was then exported as a copy bundle. The programme was also used to export an analysis of the codes (Addendum 2.8) according to each article coded that was used to compile a cluster analysis. A cluster analysis, using Ward's method of compiling the hierarchical cluster analysis, was generated using IBM SPSS.

"*Cluster analysis is an explorative analysis that tries to identify structures within the data*" and is used to classify clusters of literature within the available information (Statistic solutions, 2017). There are three methods offered by SPSS© for cluster analysis: (1) K-means cluster, (2) hierarchical cluster, and (2) two-step cluster. This study made use of hierarchical cluster analysis, which is considered to be the most common among the three methods already mentioned (Statistic solutions, 2017). Hierarchical cluster analysis takes longer to compute but it produces a sequence of models with cluster clarifications from one (all cases in one cluster) to N (all cases are an individual cluster (Statistic solutions, 2017).

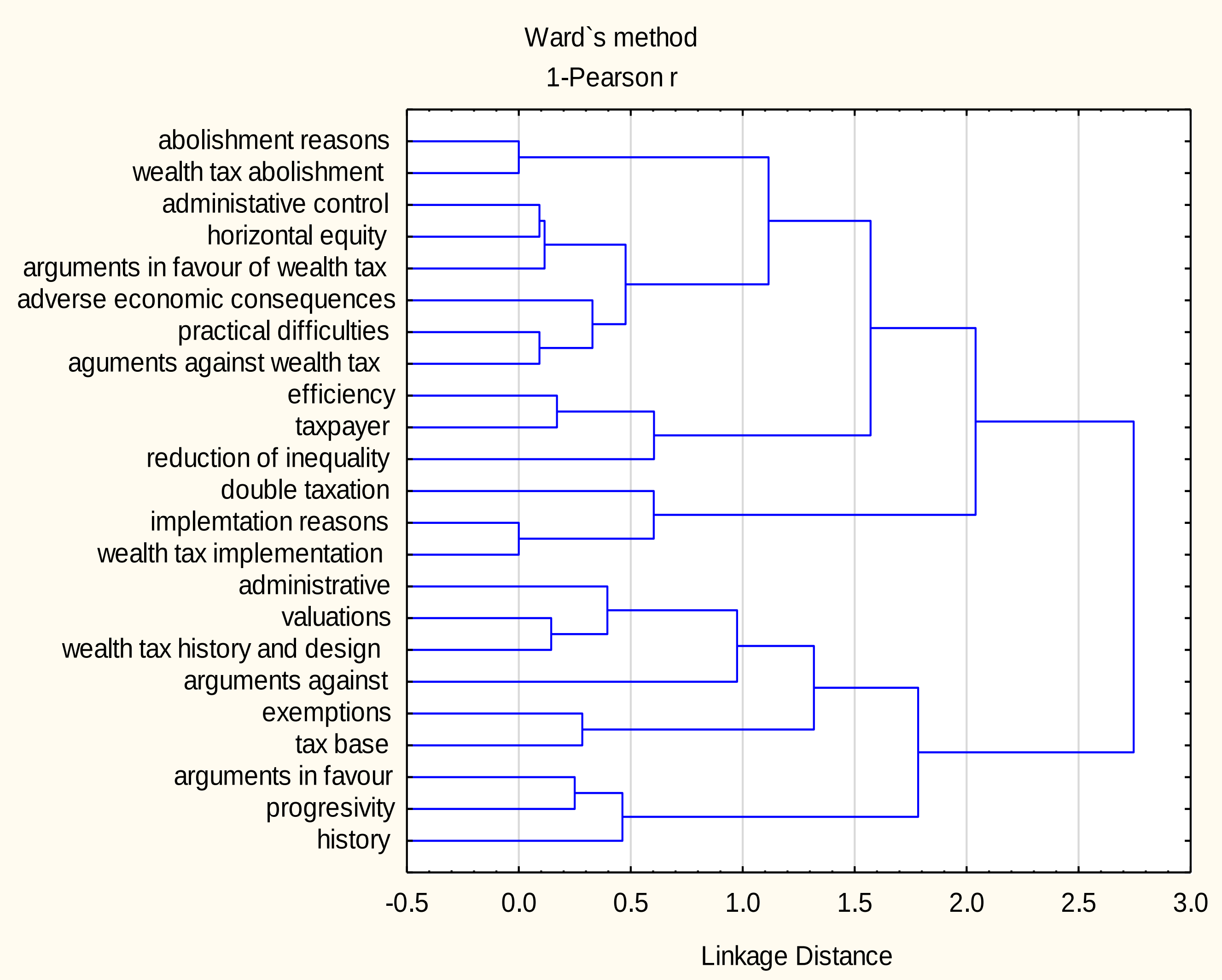

Figure 2.4: Ward's cluster analysis

Source: IBM SPSS©

The cluster analysis in Figure 2.4 depicts a cluster of the literature presented in Chapter 3. Although some codes were mistakenly repeated they were left out during the presentation of the literature, as it was concluded that these codes do not influence the cluster when removed.

The articles chosen as per Addendum 2.6 revealed that there are 25 countries that have implemented net wealth tax in the past. However, there was limited information regarding the design, reason for implementation, and abolishment reasons for three countries, namely: Slovenia, Chile, and Iceland, as they fell outside the scope of the SLR. The remaining 22 countries included in the study, which fell within the scope of the SLR, are Switzerland, Denmark, Sweden, Norway, the Netherlands, Germany, Luxembourg, Spain, France, Italy, Finland, Russia, Ireland, Japan, India, Ceylon/Sri Lanka, Pakistan, Indonesia, Colombia, Argentina, Uruguay, and Nicaragua. Although these countries fell within the scope of SLR, the information available in the articles from the SLR does not provide information on certain aspects, such as exemptions, implementation reasons, and abolishment reasons. This point was clearly explained in Chapter 3.

2.5 SLR LIMITATIONS

The following limitations were noted while conducting the SLR, where the review only included:

- The first pages of the entire search where the search term generated more than ten pages per search.
- Journal articles.
- Articles that were accessible in the digital libraries among the different databases.
- Articles that were available in full text.
- Articles with the authors' names provided.
- Articles that had a title and abstract that is relevant to the study.

These limitations therefore may create validity threats to the study. In order to limit these validity threats to a low minimum, as far as possible, some guidelines were developed that are discussed in section 2.6.

2.6 VALIDITY OF SLR

Validity threats are factors that can affect the precision of research in an undesirable way (Brown, 2007:41). For this reason, it is important to identify and address these threats to make the review results as reliable as possible.

An individual researcher conducted the review; therefore, there is high potential of validity threats. In order to minimise these threats several tasks in the protocol were carried out more than once to ensure quality. These tasks included:

- The search for the relevant literature on the selected databases.
- The removing of duplicate articles that could not be detected by the EndNote program as duplicates.
- The reading of abstracts of the final articles to guarantee that the researcher did not overlook important data.

- The application of the selection criteria by making use of the (CTRL+F) option.

In order to further minimise the validity threats, the extraction of data protocol made use of a peer review system. Peer review is the review of the data and research process by someone who is familiar with the research (Creswell & Miller, 2000:25). The role of a peer reviewer is to: provide support, challenge the researcher's assumptions, push the researcher to the next step, and ask in-depth questions about methods and interpretations (Lincoln & Guba, 2005:15). The peer review for this study included the study supervisor and the study co-supervisor in order to ensure that all agree with the quotations made on ATLAS.ti™ by the researcher. Three articles from the final selected articles were chosen randomly for the peer review. The two peer reviewers had to code the articles on their own with the codes (Addendum 2.7) created by the researcher beforehand. During this process the coding performed by the researcher, the first reviewer and the second reviewer were compared to each other in order to reach either agreement, disagreement or a consensus. In the case where there was a disagreement a consensus was reached after discussions and the quotations were adjusted accordingly. The disagreements, identified during this process between the reviewers, were mainly due to clarity regarding the type of taxation discussed, the relevance of the phrase identified to the study and also the code to which the quotation might relate. There were also additions in the case where one of the reviewers identified a quotation that the researcher and the other reviewer did not identify and an agreement was reached to add the quotation and adjust accordingly, this was all recorded on Addendum 2.7. After the peer coding, the results were calculated according to Cohen's kappa coefficient to determine the agreement of documents for inclusion (Wood, 2007). Cohen's kappa coefficient can range from -1.0 to +1.0—where a Cohen's kappa of 1.0 means that two reviewers show perfect agreement, a Cohen's kappa of -1.0 indicates that they show perfect and consistent disagreement, and a Cohen's kappa of 0 means that the two reviewers show a random level of agreement or disagreement (Wood, 2007). In collaboration with my promoters and an independent peer, I reassessed the documents according to the criteria for exclusion and inclusion (Kitchenham, 2004:10). Cohen's kappa coefficient, with a value of 1.0, indicated consistent agreement.

2.7 CONCLUSION

Research design can be defined as the process of identifying, analysing and interpreting the available literature in order to answer the research question. It consists mainly of three approaches: (1) qualitative research, (2) quantitative research, and (3) mixed methods. The type of literature required and the nature of the research questions govern the approach to the research design chosen. This study focused mainly on qualitative research, as it required textual data. An SLR was chosen to gather the most appropriate literature to answer the research question for this study, mainly due to it being reliable, trustworthy and it can be repeated at a later stage as it explains and records every step taken to identify the literature. The SLR consisted of three steps that steered its process: (1) planning the review, (2) conducting the review, and (3) reporting the review. The process initially had **540 799** hits generated during the selection of the literature and was scaled down to **31** hits after the application of extensive strategies to reduce the number of hits generated. These final selected articles were then used for a literature review reported in Chapter 3. Although this study made use of an SLR, only the literature pertaining to section 3.1–3.4 were from the articles selected using the SLR process; whereas the literature pertaining to section 3.5 was obtained from other sources such as newspaper articles, government publication and internet sources.

CHAPTER 3: LITERATURE REVIEW

3.1 INTRODUCTION

Richardson *et al.* (2003:330) and Tanabe (1967:126) indicate that the taxation of wealth has an extensive past that can be traced back as far as the ancient Roman Empire, but the net wealth tax as it is known today has been around since the 1800s. Kessler and Pestieau (1991:309), Mintz (1991:250), Schenk (2000:443), Shakow and Shuldiner (2000:538), and Tanabe (1967:126) explain that the term "net wealth tax" is defined as a tax imposed on the net value of all personal assets less liabilities for certain taxpayers, usually individuals, and is imposed annually. They also state that this definition differentiates the net wealth tax from other forms of net wealth taxation due to being mostly imposed at infrequent intervals. Mintz (1991:250) states that the net wealth tax, levied on an annual basis, applies to the market value of property and, in the widest sense, the market value of human capital. He also states that net wealth may be defined as assets less liabilities and tax may be expressed as a percentage of the net worth of the individual. Mintz (1991:248) further elaborates that wealth taxes are defined and categorised according to their intent. Richardson *et al.* (2003:327) argue that the term "net wealth tax" is commonly applied to an annual tax on wealth, there are, however, other taxes on wealth which include the wealth transfer tax, gift tax, capital tax, inheritance tax and property tax.

Atkinson (1971:214), Brown (1991:344) and Kessler and Pestieau (1991:310) define wealth transfer tax as a tax on wealth transfers, whether by gift or at death, and whether imposed upon the donor or the donee. They also define gift tax as a tax on gratuitous transfers of wealth made during the life of the donor and it is usually imposed on the donor. Inheritance tax is levied on wealth transfers as a result of death, where the tax base and the rate of the tax are dependent on the amount received by the beneficiary/donee.

This study, however, focuses on the annual tax on net wealth, as mentioned in Chapter 1, and is based on the countries that have implemented the net wealth tax and which fall under the scope of the SLR applied in Chapter 2. There are 25 countries that have implemented net wealth tax and 14 of them are from Europe, namely: Switzerland, Denmark, Sweden, Norway, the Netherlands, Germany, Luxembourg, Spain, France, Italy, Finland, Iceland, Slovenia, and Ireland. Six are from Asia, namely: Japan, India, Ceylon/Sri Lanka, Pakistan, Russia, and Indonesia. Four are from South America, namely: Chile, Colombia, Argentina, and Uruguay—Nicaragua was the only country from Central America to have implemented net wealth tax. It should be noted that there were three countries (Slovenia, Chile, and Iceland) that have implemented net wealth tax in the past, which fell outside the scope of the SLR and consequently will not be covered in this study. The remaining 22 countries included in the study, which fell within the scope of the SLR, are: Switzerland, Denmark, Sweden, Norway, the Netherlands, Germany, Luxembourg, Spain, France, Italy, Finland, Russia, Ireland, Japan, India, Ceylon/Sri Lanka, Pakistan, Indonesia, Colombia, Argentina, Uruguay, and Nicaragua. While Chile, Iceland and Slovenia fell completely outside the scope of the SLR. Although the above mentioned 22 countries fell within the scope of the SLR, the information available in the articles, obtained using the SLR, do not provide information on certain aspects e.g. exemptions, implementation reasons and abolishment reasons.

Dugger (1990:141) remarks that net wealth tax design entails certain factors, these factors include the identification of (1) the taxpayer, (2) the tax base and rates, (3) the exemptions allowed, (4) the valuation issues associated with the tax base, and (5) the administration issues.

3.1.1 Taxpayer

Brown (1991:337) argues that as part of the imposition of a net wealth tax, it is necessary to determine who will be subject to the levy. He concludes that as a rule, many authorities provide that an individual who is resident for income tax purposes is also resident for net wealth tax purposes and taxable on their worldwide wealth. Brown (1991:337) identifies that residents are commonly taxed on their worldwide property and non-residents are generally liable to the tax only on property located in the country imposing the wealth tax. Brown (1991:337) outlines that the question of whether the basis of assessment should be the individual wealth holder, the married couple, or the family unit arises for net wealth tax just as it does for income tax. This is due to the fact that, in nearly all countries, the property of members of a family is aggregated and taxed in the hands of the husband. There is nothing in the nature of net wealth tax that dictates any particular treatment (Brown, 1991:337).

Brown (1991:337) argues that, if the net wealth tax system had progressive rates or exemptions, it would be necessary to monitor any transfer of assets between spouses and to children. He also explains that this type of monitoring would not be necessary in relation to asset transfers, if assets in a family unit were aggregated. Brown (1991:337) explains that the place of children in the tax unit also gives rise to difficult issues. It seems appropriate that the wealth of minor children—derived directly or indirectly from parents, whether in trust or otherwise—ought to be aggregated with parents' wealth for net wealth tax purposes as the control of that wealth arguably remains with the parents.

Net wealth tax is commonly imposed on individuals as in the case of several countries that have implemented it in the past (Chatalova & Evans, 2013:134). Tanabe (1967:162) attests that net wealth tax is imposed only on individuals in the following countries: Switzerland, Denmark, Sweden, Norway, the Netherlands, Spain, France, Ireland, Japan, Ceylon/Sri Lanka, Pakistan, Indonesia, Colombia and Nicaragua. Tanabe (1967:126) states that in Denmark the tax differs as it is imposed on individuals, with a joint taxation of family members, to the same extent as in the case of income tax. However, in Sweden and Norway the residents' worldwide net wealth is subject to net wealth tax at the end of each year (Lehner, 2000:663). Lehner (2000:661) and Tanabe (1967:126) explain that the Netherlands' net wealth tax applies to individuals only and is imposed on residents and non-residents. They also outline that non-residents are subject to this tax for certain assets situated in the Netherlands. The net wealth tax in the Netherlands is a point-of-time taxation; that is, if a taxpayer is resident in the Netherlands on 1st of January of a particular year, they are subject to the net wealth tax for that year, therefore, if they emigrate before 1st of January, they can be taxed only as a non-resident (Lehner, 2000:661; Tanabe, 1967:126).

Germany, Finland, India, Uruguay and Argentina taxes individuals and corporations. Tanabe (1967:139) outlines that the tax structure applicable to the net wealth tax in Luxembourg is progressive for individuals and public companies but proportional for private companies. Italy and Russia are the only countries which only taxes corporations (Lehner, 2000:664).

3.1.2 Tax base and rates

It is argued that the comprehensive income tax base is the best measure of an individual's well-being, if the ultimate objective of governments is to tax individuals according to their ability to pay (Mintz, 1991:253). Tanabe (1967:136) outlines that the net wealth tax is generally assessed on the taxpayer's total net wealth, that is, all assets net of liabilities; also defined as the tax base of the taxpayer. The tax base is, thus, the amount that the taxpayer is allowed to use to apply a particular tax rate to. Tanabe (1967:136) explains that the tax base is computed by adjusting the total net worth of the wealthy taxpayer with a personal deduction, resulting in taxable assets not only including "*land, buildings and other improvements attached to land but also tangible personal property and intangibles such as machinery, animals, inventories of raw materials and goods for sale, farm and forest products, mineral rights, patents, cars for business use, jewellery, currency, bank deposits, notes, stocks, bonds and mortgages*".

Shakow and Shuldiner (2000:504) argue that if net wealth tax is structured as a flat rate tax, meaning taxed at the lowest rate possible, it can still have the benefits of progressivity. They believe that a net wealth tax that is practically structured can achieve progressivity by income class that is comparable to that of the income tax as a suitable combination of rates and exemptions. Brown (1991:336) and Shakow and Shuldiner (2000:504) define progressivity as a general increase in the average tax burden with increased income. A variety of exemptions is, however, provided by the actual tax system in practice today for administrative purposes.

Tanabe (1967:162) states that in Switzerland there is a rule that the total assets make up the tax base and includes all the taxpayer's assets and rights, which are to be taxed at the market value and debts may be deducted from total assets. He also reasons that in Denmark, residents are taxed on all assets whether located in the country or abroad and non-residents are only taxed on real estate and investments in an enterprise that is located in Denmark and which has the returns that are subjected to the income tax. Lehner (2000:663) and Tanabe (1967:133) argue that the net wealth tax in Norway and the Netherlands is imposed on a resident taxpayer's worldwide net wealth and is defined as the taxpayer's total assets less their liabilities on 1st of January of each year. In the Netherlands, however, some tax liabilities are only deductible to a limited extent: 20 per cent of the reserves in any business, 30 per cent of any annuity right, 30 per cent of any old age reserve and 6.25 per cent of the difference between the market value and acquisition price in the case of any substantial shareholding in a company (Tanabe, 1967:133).

In Germany, net wealth taxation of non-residents followed the source principle—only the property that fell within the territory of Western Germany was subject to German net wealth tax (Lehner, 2000:631). Lehner (2000:631) also points out that only debts and charges could be taken into account as deductions, provided they had an economic relation to the domestic assets. Certain anti-abuse rules applied if a non-resident German national was resident in Germany for at least five of the last ten years and was currently a resident of an income tax haven but still had kept economic interests in Germany (Lehner, 2000:631). He further states that in this rare case, such a person falls under an extended limited tax liability for ten years after their departure and as a consequence, although this person was no longer treated as a resident, both this person's German assets and some foreign assets, which are also related to Germany, were subject to net wealth taxation to a certain extent. Lehner (2000:632) explains that since net wealth tax in Germany followed the netting principle, debts were allowed as a deduction from the assessment base and therefore reduced the duty to pay.

Lehner (2000:660) outlines that in Luxembourg the tax base is determined as total assets, and debts may be deducted. He also states that families with joint assessments may add up their individual tax-free amounts. Tanabe (1967:139) outlines that the tax structure applicable to the net wealth tax in Luxembourg is progressive for individuals and public companies but proportional for private companies. Lehner (2000:134) explains further that in India the property of the minor children and the wife was combined and taxed in the hands of the husband. He also explains that residents are commonly taxed on their worldwide property where non-residents are usually liable for the net wealth tax on property only located in the taxing country. Tanabe (1967:162) argues that under the net wealth tax in Uruguay, all assets located or utilised economically in the republic were subject to the tax; where proportional tax rates are provided for individuals. Lehner (2000:659) identifies that net wealth tax in Italy was levied only on the net wealth of business enterprises, thus, the personal scope covered sole proprietorships, partnerships, companies, incorporated entities, and permanent establishments of foreign companies. Non-commercial entities were subject to net wealth tax, only on that portion of their assets used to carry on commercial activities. Lehner (2000:664) outlines that the tax base, for the Italian net wealth tax purpose, is the average total annual assets of a business enterprise according to its statement of financial position. Lehner (2000:659) further explains that the company's total debts are not deductible, thus, the tax is not structured as a net wealth tax, and the tax rate is determined by each federation entity, but may not exceed a maximum tax rate of two per cent of the basis of assessment.

Finland imposes net wealth tax on a taxpayer's worldwide net wealth at the end of the year; that is, for individuals at the end of the calendar year, and for enterprises at the end of the financial year (Lehner, 2000:619). Lehner (2000:619) also explains that net wealth consists of a taxpayer's gross assets less debts and liabilities and those non-resident individuals and corporate bodies are entitled to deduct only debts related to assets located in Finland. He further states that, in Spain, France, Pakistan, India, Ceylon/Sri Lanka, Japan, Russia, Finland and Sweden, the tax base is made up of gross wealth reduced by debts. In Colombia, the tax base is made up of net wealth (Bird, 1991:339). The net wealth tax in Italy focused on the net wealth of business enterprises. Ireland, Argentina, Indonesia, and Nicaragua fell within the scope of the SLR but the information regarding the tax base and rates, available in the articles from the SLR, was not provided.

3.1.3 Exemptions

Brown (1991:338-339), and Shakow and Shuldiner (2000:499) argue that exemptions favour owners of exempt assets over those of non-exempt assets and provides for ways of net wealth tax avoidance. They also state that exemptions induce a less than optimum pattern of asset ownership and investment; therefore, this personal deduction is intended to free the middle class and those below from having to pay any net wealth tax, since their burdens are already heavy enough. Tanabe (1967:136-137) explains that exemptions depend on the purpose of the tax, the rate of the tax and the administrative considerations in each country. It is generally more effective to directly target those individuals who are in a worse off position, if the purpose of the exemption is to help them. This can be done by directly targeting the individual’s level of wealth rather than their choice of assets (Tanabe, 1967:136-137). He also states that if net wealth tax was mainly intended to reduce the uneven concentration of wealth or to supplement the progression of the personal income on taxpayers with high income, then exemptions would be of great advantage.

In Denmark, the taxpayers’ personal and household effects, life insurance policies and pension rights, among others, are exempted from the net wealth tax (Tanabe, 1967:162). Tanabe (1967:127) states that in Sweden, assets used in the taxpayer's business or trade (operating assets) are excluded; also, shares that are not listed publicly on a stock exchange and shares on the list for unofficial quotations are exempt. He further states that publicly traded shares are exempt if a major shareholder, that is, a person who directly or indirectly owns at least 25 per cent of a company, owns them. Shares owned by small investors are, however, not exempt. Lehner (2000:663) states that the Norwegian net wealth tax exempts immovable property situated abroad. This exemption also applies to taxpayers who alone or together, with no more than nine other residents of Norway, own at least 95 per cent of the capital stock of a foreign company that, in turn, owns such real property abroad (Lehner, 2000:663). He further explains that only a prorated part of the taxpayers' debts, however, is deducted if they own property abroad. In addition, certain conditional obligations are exempt, such as obligations limited in time or regarding the payment of wages, interest or dividends that have not yet fallen due (Lehner, 2000:663).

Alvaredo and Saez (2009:1143) and Tanabe (1967:162) outline that in Spain certain historical cultural objects, works of art and antiques that do not exceed a certain amount, or that are made available to non-profitmaking museums or that are still owned by the artist, are exempt from net wealth tax. They also state that furniture, pension rights and certain copyrights are likewise exempt from taxation. In 1993, a provision was introduced that exempted operating assets and permanent assets in particular (Lehner, 2000:666). Shares have also been exempt since then, provided that the company involved is not engaged in property management and that the taxpayer holds more than 15 per cent of the shares, is active in the company as a managing partner, and receives more than 50 per cent of his or her income from business activities, self-employment or employment (Tanabe, 1967:162).

Lehner (2000:659) identifies that net wealth tax in Italy's agricultural and forestry enterprises were exempted from net wealth taxation. Lehner (2000:619) outlines in Finland the amount deductible is not affected by the existence of asset exemptions, which are granted in various forms. The most significant exemptions are for furniture, household effects and other belongings intended exclusively for the personal use of taxpayers or their families (excluding: boats, cars, and valuables of exceptionally high value), recurring payments, such as alimony, child support and certain pensions, interests in a deceased person's domestic estate or in the assets of a non-resident partnership, ordinary domestic bank accounts, bonds and debentures. Tanabe (1967:136) states that Uruguay excludes all shares of corporations and government securities while Colombia has a number of special exemptions as encouragements for certain investments. He also states that India does not impose net wealth tax on agricultural land, including trees and growing crops. In France, the operating assets, permanent assets, shares in partnerships, forests and agricultural property leased on a long-term basis as well as works of art and antiques are exempt from tax. Luxembourg, Pakistan, Japan, Ceylon/Sri Lanka, Switzerland, Germany, Nicaragua, Russia, Indonesia, the Netherlands, Argentina, and Ireland fell within the scope of the SLR, but the information regarding the exemptions was not available in the articles chosen as per the SLR.

Shakow and Shuldiner (2000:549) explains that exemptions may also be recommended for administrative suitability in order to limit the number of cases to be dealt with, rather than as a matter of principle. Shakow and Shuldiner (2000:549) outlines that exemptions for categories of assets are harder to justify than individual exemptions. Tanabe (1967:136) states that certain exemptions are constantly made for the value of small properties. Household items and personal effects; pensions and annuities; owner-occupied houses and patents; copyright and goodwill, are among the assets that are commonly exempted.

3.1.3.1 Household items and personal effects

Brown (1991:339) argues that some exemption for household items and personal effects seems to be universal in jurisdictions of net wealth tax. He also states that this is likely based on the fact that these items are usually necessities, generally of modest value and extremely difficult to assess. If household items and personal effects are not to be totally exempt under the net wealth tax, some method for assessing and valuing it must be determined (Brown, 1991:339).

3.1.3.2 Pensions and annuities

Brown (1991:339) explains that in those countries that have a personal net wealth tax, the value of pension rights is usually excluded from the tax base. He also argues that similar exemptions are usually provided for pension-type annuities that are purchased by self-employed persons and otherwise non-pensionable employees. He further postulates that the advocates of the exemption of pensions argue that advantages conferred on pension schemes are fully justified due to the social benefits that flow from the provision of retirement incomes. Moreover, he argues that if a net wealth tax is designed to apply only to realisable or saleable assets, it would seem accurate to exclude pension rights from the tax base both before and after the pension becomes payable.

3.1.3.3 Owner-occupied houses

Brown (1991:339) suggests that those who propose that owner-occupied houses should be exempt from a personal net wealth tax do so on the basis that their owners do not directly earn money with which to pay the tax, that social benefits derive from the ownership of houses, and that taxing home values would be enormously unpopular. However, exempting owner-occupied houses creates serious horizontal inequity between, for example, the owner of a house who lives in it and someone who rents and chooses to invest his money elsewhere (Brown, 1991:339).

3.1.3.4 Patents, copyright and goodwill

Brown (1991:340) points out that patents, copyrights and goodwill, can all represent value created through the personal efforts of their owners and are usually treated in the same manner for net wealth tax purposes. He also explains that the argument for excluding them from the net wealth tax base is that since capitalised future personal earnings are universally excluded from the net wealth tax base, patents, copyright and goodwill that essentially represent future earning power, ought to be excluded as well for valuing such rights are very difficult.

3.1.4 Valuation

Isaacs (1977:44) and Shakow (2016:950) denote that the difficulty of net wealth tax can be limited to issues of valuation. It is believed that net wealth tax is likely to have changeable difficulty in valuing the different types of assets that may lead to different effective rates on investment (Shakow & Shuldiner, 2000:516). Isaacs (1977:44), King (1975:948) and Shakow (2016:952) argue that the valuation issue is the one that people considering net wealth tax find most distressing. Brown (1991:340) argues that, in theory, most would agree that the basis for valuation, for net wealth tax, should be the market value. Most valuation problems result when there is no market value price; but determining the appropriate market value itself is not without problems. He also explains that the form in which the assets are held—listed versus unlisted, significant holdings or seasonal goods—may influence that current market value. The number of buyers and sellers, the freedom of entry into the market, imperfect knowledge, and the vagaries of markets on whatever day is selected, as valuation may also influence market values (Brown, 1991:340). Switzerland, Denmark, Sweden, Norway, Luxembourg, Spain, Italy, Russia, France and Finland were the only countries that fell within the scope of the SLR and were the only countries whose information pertaining to the valuation issues were available in the articles from the SLR.

In Switzerland, a valuation at the market value is constitutionally permissible in any case; irrespective of whether the taxpayer earns any profits out of his assets (Tanabe, 1967:162). He also states that agricultural enterprises constitute an exception in most cantons, given that their owners cannot be expected to use their land otherwise, therefore, land used for agricultural and forestry purposes is often to be valued at the capitalised value. He further states that it is interesting that some cantons have legislated privileged valuation rules for shares in those companies that are resident in the respective canton. In most cantons, the net wealth tax is structured in a progressive way. Tanabe (1967:162) states that in principle the valuation of assets for net wealth tax purposes in Denmark is at the market value, however, there are special rules that apply to the valuation of property and in contrast to this, the business assets are valued at their book values.

In general, all taxable assets in Sweden are taken into account at their market value (Tanabe, 1967:127). Shares listed on a stock exchange are taxed at 80 per cent of their market value unless they are fully exempt. He also argues that the net wealth tax is one of the few remaining taxes levied on the combined wealth of a family as a single tax unit, which means that families were allowed only one allowance. He also states that in Norway the valuation of assets is at book value. Lehner (2000:660) remarks that large differences exist with regard to the valuation of moveable and immovable property in Luxembourg, however, an attempt is made to remedy the disparity between the valuations by applying new valuation coefficients to the uniform values. Certain assets are not taken into account in the basis of assessment, such as works of art of still living or recently deceased Luxembourg artists and different tax-free amounts apply to each asset category (Lehner, 2000:660).

Alvaredo and Saez (2009:1143) and Tanabe (1967:162) submit that in Spain the valuation is done in terms of the market value. With regard to real property, the highest of the following values is decisive: the value of the real property according to a special land registry valuation list, the value of the real property as determined for other taxes, or the acquisition value (Tanabe, 1967:162). He also explains that a tax-free amount that changes every year is granted to all those who are unlimitedly liable to the net wealth tax; the tax is progressive. Lehner (2000:659) identifies that in terms of the net wealth tax in Italy no specific valuation problems arose, as net wealth taxation strictly tied to the ordinary accounts (statement of financial position and statement of comprehensive income). Net assets could be reduced by the book value (regularly the acquisition costs) of shares in another company (Lehner, 2000:659). Lehner (2000:664) points out that in Russia the valuation of the assets is based on the book value or, if the book value is not available, according to the insurance value.

In Finland, each asset is valued at its current market value, which often leads to practical difficulties; this rule has many statutory exceptions (Lehner, 1967: 620-621). Buildings are valued by determining the reconstruction cost of a new building of the same type and then deducting one to ten per cent for each year of the building's age. Agricultural land and forests were valued at quite low levels by multiplying their estimated average annual yield by a factor of seven or ten. He also states that shares listed on the Helsinki Stock Exchange, the over-the-counter list, or the Brokers' List are valued at 70 per cent of their market price at the end of each year. In France, the market value of assets is used for valuation purposes (Lehner, 1967: 624). In Italy, the book value of the assets is used to value the assets for net wealth tax purposes (Lehner, 2000:659).

Brown (1991:340) concludes that the method of valuation chosen should achieve a balance between obtaining a genuine market value and reducing the compliance costs, uncertainty and delay in determining values. Annual valuations are clearly best, but can be costly and administratively unsatisfactory. Tanabe (1967:138-139) argues that most countries adopt the fair market value as a basic criterion of values, in any case, both the fair market value and other precise values are quite separate from the book value used for income tax purposes. He also stipulates the tax officers may revise the book values of certain assets where such book values are lower than the estimated sales value of the assets. Immovable property, listed shares, debts and loans are among the assets that are difficult to value among the countries that have implemented net wealth tax.

3.1.4.1 Immovable property

Brown (1991:341) explains that, generally, immovable property can only be valued with professional assistance at some cost. He also states that the best evidence of accurate valuations of immovable property comes from purchase and sales in the open market, but there are many properties where it is difficult to identify comparable assets that have been recently sold. Accordingly, valuations at certain intervals or valuation formulae based on sales statistics may be a practical, albeit imperfect, approach to determine value for land and buildings (Shakow, 2016:953). Shakow (2016:953) reasons that the fact that the valuation figures used in property tax administration are not accurate means that discrepancies between taxpayers and administrators will prevail.

3.1.4.2 Listed shares

Brown (1991:134) argues that listed securities are easiest assessed based on their value on the stock exchange on the date that wealth is to be determined. This, however, does not permit one to take into account fluctuations: an average value throughout the year may accurately reflect the long-term growth to the taxpayer's wealth, not to mention the possibility that the listed securities may be artificially low on any one given date (Brown, 1991:341).

3.1.4.3 Debts and loans

Brown (1991:341) explains that for purposes of valuing assets consisting of non-traded debts and loans, debts that will not bear interest and will not be paid for some time, or loans at a fixed rate of interest below the now prevailing rate, should presumably be discounted to their present value. The question remains then whether the same approach should be taken for calculating the value of debts payable that are to be subtracted to arrive at net wealth, or would the face amount of the debt payable be used in the computation (Brown, 1991:341).

3.1.5 Administration

Brown (1991:338) and Tanabe (1967:141) argue that in most countries that have implemented net wealth tax in the past, the administration of it was associated with that of the income tax. They further state that this was mostly done by way of decentralising the administrative model with the same officials administering both net wealth tax and income tax. They also explain that wealth tax is reported on the same form as income tax, this is mainly due to the fact that where net wealth tax is administered separately from income tax the result is a considerable increase in both administration and compliance costs. Conversely, Brown (1991:342) outlines that the self-assessment administrative system places a very considerable burden on the taxpayer with little perceived benefit and, therefore, would likely involve substantial resistance and resentment from taxpayers. He also states that taxpayers would need assistance with the listing of assets, the valuation of assets and the calculation of the tax payable. Moreover, a net wealth tax system inevitably involves uncertainty even if the taxpayer makes an honest effort to compute his net wealth tax liability properly (Brown, 1991:342). Sweden, the Netherlands, Germany, Japan, Colombia, India and Pakistan were the only countries which had the information regarding their administrative issues falling within the scope of the SLR and are therefore the only ones discussed.

In the Netherlands and Japan, the administration of net wealth tax is usually incorporated with that of income tax (Tanabe, 1967:131-133). Tanabe (1967:131-133) also explains that in general, the income tax officers also function as the net wealth tax officers, and that the administration and measures governing net wealth tax are closely equivalent to those of income tax. Taxpayers must report their assets and liabilities for the calculation of net wealth tax on the same forms that are used for the income tax returns (Tanabe, 1967:133).

In Germany the net wealth tax, before it was declared unconstitutional, was an annual tax that had to be paid in instalments at mid-quarter, the determination of the basis of assessment and the tax liability was made *ex officio* by the revenue service, which was entitled to investigate the case and deviate from the information provided by the taxpayer (Lehner, 2000:652). Tanabe (1967:133) states that in Sweden and Colombia taxpayers are expected to report their assets and liabilities for the calculation of net wealth on the same forms that are used for the income tax returns. He also states that net wealth tax officers in India and Pakistan determine the assessment of net wealth, however, any decision he/she makes may be contested.

3.1.6 Conclusion

The taxation of wealth has a long history in the world and can be defined as a tax on the net wealth of a person’s wealth after debts have been deducted. Most countries impose net wealth tax on individuals while a small number impose this tax on both individuals and corporations and only two countries impose net wealth tax only on corporations. Most of these countries have a number of exemptions. One of the reasons for the exemptions granted to net wealth taxpayers is to lessen the taxation of wealth on those taxpayers who do not have the means to pay the tax. Common assets that are exempt among the countries that impose net wealth tax are household items and personal effects, pension and annuities, owner-occupied houses and patents, copyright and goodwill. It has also been argued that the valuation of assets for net wealth tax purposes among the countries is commonly based on the market value, with a few countries using the book value of assets where the market value is difficult to attain. Assets like immovable property, listed shares and debts and loans are the most difficult to value, which is most probably the reason why it is mostly exempt. The net wealth tax administration is habitually decentralised, with the same tax personnel who administer the income tax also administering the annual net wealth tax. The countries that have implemented net wealth tax have different designs of the tax as well as different reasons for the implementation thereof.

3.2 WEALTH TAX IMPLEMENTATION

Shakow and Shuldiner (2000:499) identify that an annual net wealth tax is mostly warranted on the basis that income from property is acquired with less effort and is usually more permanent than income from work and that property itself confers advantages on its owner independent of, and additional to, the income it yields. Tanabe (1967:124) argues that experts have recommended the introduction of net wealth tax, as they believe it is a desirable manner in which to supplement the income tax. He identifies that, since the early 1900s, net wealth tax has been acknowledged in numerous countries. Of the 25 countries that have implemented net wealth tax in the past, three of them fell completely outside the scope. Although the 22 countries mentioned in section 3.1 fell within the scope of the SLR, only 14 countries (Denmark, Sweden, Germany, Colombia, Nicaragua, Spain, Pakistan, France, Switzerland, Argentina, Italy, Luxembourg, Japan and India) had the information pertaining to their implementation available in the articles obtained from the SLR. The countries that have implemented net wealth tax in the past have based their decision on (1) horizontal equity, (2) reduction of inequality, (3) efficiency and (4) administrative control.

3.2.1 Horizontal equity

Groenewegen (1985:306) identifies that the horizontal equity objective of net wealth taxation is based on the intention that effective equal treatment of those with equal taxable abilities must take wealth ownership into account as well as income. Richardson *et al.* (2003:331) outline that the principle of horizontal equity asserts that similar taxpayers should pay an equal tax and that horizontal equity can be better achieved by supplementing the income tax with net wealth tax. He also explains that net wealth tax has the advantage over income tax by recognising the additional ability to pay that wealth confers to its owners, disregarding whether income is actually generated or not.

Isaacs (1977:35) and Maloney (1988:629) give another argument in favour of horizontal equity, namely that it would contribute to a more productive use of capital insofar as the tax would be levied irrespective of yield. They also reason that this should promote the movement of capital out of non-income producing assets such as cash, precious metals, jewels and uncultivated land as well as low income producing ones such as certain bonds and securities. Shakow and Shuldiner (2000:500-501) state that net wealth tax can be justified with the "ability to pay" concept, as a person's capacity to accumulate and protect wealth is dependent on society's infrastructure just as much as his ability to earn income. They also state that wealth provides a reasonable basis for taxation. They further identify that net wealth tax also taxes capital that is not effectively employed, therefore, net wealth tax can be regarded as a tax on probable income from capital. An argument in favour of taxing wealth in its own right is that wealth holds welfares to the holder over and above their capacity to pay taxes (Shakow & Shuldiner, 2000:500-501). Enthusiasts of an annual net wealth tax as a substitute or an addition to the regular income tax argue that the wealthiest citizens in society have more influence on political power than their poorer counterparts (Mintz, 1991:253).

Isaacs (1977:35) concludes that another argument on horizontal equity for a net wealth tax is that income, taken by itself, is an insufficient measure of taxable capability. This is due to the fact that the taxation based on income alone tends to discriminate against taxpayers who have no wealth. Groenewegen (1985:306) demonstrates that net wealth tax, taxes more heavily the holders of high-yield securities and risky investments, thereby preferring owners of low-yield and no-yield investments who enjoy greater refuge and may benefit from liquidity. Groenewegen (1985:306) also explains that some of these equity problems can be met under an income tax by placing a heavier burden on property income, by including imputed rental value of homes and capital gains in taxable income, and by closing other legislative loopholes. The following countries implemented net wealth tax for different reasons, but the rationale or scope falls under the horizontal equity argument.

3.2.1.1 Denmark

Denmark introduced the net wealth tax in 1904 as a way of increasing the government's revenue. It was imposed as a standard feature of the revenue system for a long time (Tanabe 1967:126).

3.2.1.2 Sweden

Sweden introduced the net wealth tax in 1910, which was motivated by an aspiration to enforce a heftier burden on income from capital than on income from other sources (Tanabe, 1967:126-127). Tanabe (1967:127) states that a Swedish taxpayer was obligated to add to it a minor part of his taxable wealth to get his total taxable income after calculating his income. Tanabe (1967:127) also asserts that it was projected that under the collective measures, income from property would convey a tax burden one-third larger than that enforced on other income.

3.2.1.3 Germany

The net wealth tax in Germany was introduced in 1922 and was formerly imposed only on individuals, but has also been extended to corporations in order to place the same tax burden on all businesses contending in the same market, irrespective of their juridical form (Tanabe, 1967:126). Furthermore, net wealth tax on corporations does not serve the same purpose of securing impartiality in the circulation of the burden of taxation as a similar tax on individuals.

3.2.1.4 Colombia

In Colombia, net wealth tax was introduced in 1935 and has always been viewed as part of the income tax system (Tanabe, 1967:127). Furthermore, the main purpose for the introduction of net wealth tax has been to tax income from capital at a rate higher than income from wages and personal services. Tanabe (1967:127) states that Colombia introduced a net wealth tax with the following objectives: (1) to tax unearned income on unproductive assets at a higher rate, as mentioned above, and (2) at the same time to:

"*impose a burden upon landowners who withhold their property from use*". The tax was intended to penalise wealthy individuals who failed to exploit their assets to their maximum potential in the national interest (Tanabe, 1967:127). It was anticipated to stimulate risk-taking and encourage asset owners to employ their wealth in a more productive way (Tanabe, 1967:130).

3.2.1.5 Nicaragua

Nicaragua adopted a tax similar to the net wealth in 1939 and was motivated by the "ability to pay" principle (Tanabe, 1967:144).

3.2.1.6 Spain

Alvaredo and Saez (2009:1143) and Tanabe (1967:162) scribes that net wealth tax, initially described as "temporary and extraordinary," was introduced in Spain in 1977. They also state that the legislative intent justifies this by noting that the object of taxation may be neatly separated from familial aspects in terms of both allocable and the ability to pay.

3.2.1.7 Luxembourg

Luxembourg introduced net wealth tax in 1952 with the aim of supplementing income tax and to encourage the use of productive assets (Tanabe, 1967:138).

3.2.1.8 Italy

Lehner (2000:659) states that in Italy net wealth tax was introduced in order to preserve a division between income from property and income from labour. This was due to the belief that ownership of property has advantages separate from and additional to the income derived.

3.2.2 Reduction of inequality

Davies (1991:280) and Richardson *et al.* (2003:331) reason that there is also a vertical equity dimension of net wealth tax where net wealth tax can be used to reduce inequalities in the distribution of wealth by combining net wealth tax with a progressive income tax to prevent the rich further accumulating wealth out of savings. They also state that net wealth tax also encourages an equal dispersal of wealth and power (Wisman & Sawers, 1973: 428). Kessler and Pestieau (1991:315) indicate that one step further would be to impose net wealth tax at such a high level that the wealthy can only meet it by parting with some of their wealth to achieve a direct and early reduction in wealth inequalities. Fernholz (2017:100) and Isaacs (1977:34) explain that certain individuals believe that extraordinarily large concentrations of wealth in the hands of a relative handful of individuals, is not in line with modern societal notions of proper wealth distribution. However, Kessler and Pestieau (1991:320) critique that the effect on the distribution of wealth that usually aids to reduce inequality under the net wealth tax is very trivial. Furthermore, net wealth tax, by levelling prospects and permitting everyone to start at the same position in life, may escalate the work motivations of those who are not wealthy now (Wisman & Sawers, 1973:425). Pakistan and France are the only countries that have implemented net wealth tax with the aim of reducing inequality.

3.2.2.1 Pakistan

Tanabe (1967:126) implies that the net wealth tax that was introduced in 1963 in Pakistan was designed to reduce the concentration of wealth in the hands of a very small number of families. Tanabe (1967:126) also states that it was also aimed to generally promote greater equality and aimed at a more effective and more impartial personal taxation of the better-off classes by the use of net wealth tax to supplement the income tax.

3.2.2.2 France

According to Kessler and Pestieau (1991:319) and Verbit (1991:181) the French net wealth was introduced in 1981 with the main purpose being to redistribute wealth, as there is a substantial concentration of wealth in the hands of a very small number of taxpayers.

3.2.3 Efficiency

Burbidge (1991:267) and Richardson *et al.* (2003:330) contend that the efficiency argument considers wealth tax as a substitute for income tax either as a partial replacement for a given revenue or an alternative to raise an equal additional revenue. "*Efficiency refers to the effects of a tax system on the smooth functioning of a market economy*" and that any genuine tax system obstructs a pure market economy by modifying prices and, therefore, modifying decisions that participants in the market would have made in the absence of a tax system (Blatt, 1995:300; Shakow & Shuldiner, 2000:506).

Tanabe (1967:151) states that it is argued that a net wealth tax promotes efficiency in income tax administration as a supplementary tax on net wealth can help lessen evasion of income tax by providing information for crosschecks. Tanabe (1967:151) also explains that an examination of a taxpayer's property ownership, if disclosed, usually leads to the detection of hidden income just as an examination of his income receipts, if disclosed, leads to the detection of hidden property. Tanabe (1967:151) further contests that a tax on both property and income, therefore, should advance the administrative efficiency of the tax system and provide an improved criss-cross on evasion and concealment than a tax on either alone. In order to realise this advantage, the administration of the net wealth tax is usually combined with that of the income tax (Tanabe, 1967:151). The likelihoods of such administrative enhancement, however, are inadequate and cannot be accomplished without significant determination and cost and it is not easy for tax officers to crosscheck personal income and related property due to the difficulties of determining a reasonable relationship between personal and household consumption and changes in accrued income and assets and liabilities (Tanabe, 1967:151). Three countries implemented net wealth tax based on the efficiency argument of net wealth tax.

3.2.3.1 Switzerland

In 1719, net wealth tax was introduced and combined with income tax in Switzerland. Tanabe (1967:162) identifies that this tax was mainly imposed by the cantons due to the fact that under Swiss territorial jurisdiction, the confederation and the cantons have genuine authority to pass tax legislation. Tanabe (1967:162) explains that the canton constitutions stipulate which taxes they are entitled to levy for their benefit and that the cantonal net wealth taxation is separated into a net wealth tax that is sometimes supplemented by additional net wealth taxation at the time of wealth transfer.

3.2.3.2 Japan

Tanabe (1967:131) states that the main purpose of the net wealth tax introduced in Japan in 1950 was to supplement the progression of personal income tax in the top income groups. He also outlines that World War II caused a disastrous breakdown in the Japanese economy, which touched off an inflationary twisting. Under these circumstances, the highly progressive income tax rates and low personal exemptions encouraged widespread tax evasion and avoidance. Tanabe (1967:131) explains that the entire disorganisation of the tax service was unable to cope with this evasion, this was due to tax officials who were young, inexperienced and underpaid and office processes that were insufficient. Although the Japanese income tax system was supposedly a very progressive one, individuals were effectively taxed at only a lesser portion of their factual liabilities (Tanabe, 1967:131). Wealthy taxpayers in particular, legally evaded heavy taxation due to the barring of capital gains, all-encompassing deductions for business expenses and other strategies (Tanabe, 1967:131). The mission therefore recommended the introduction of an annual low-rate tax on the net wealth of wealthy individuals as the most suitable answer for the problem (Tanabe, 1967:131). They believed that such a tax would fill the gap left by the decline in the top rates of the income tax and would not be subject to the difficulties that influenced high-income tax rates.

3.2.3.3 India

According to Jakhade and Shetty (1974:679) and Krishnan (1972:22), India introduced net wealth tax in 1957. This was in line with the government's strategies of democratic socialism, aimed at a more effective and impartial personal taxation of the better-off taxpayers by the use of a net wealth tax to supplement the government's revenue. The net wealth taxes in India followed the recommendations of Kaldor to base progressive taxation on several measures of taxable capacity such as total wealth, income and expenditure, instead of a single measure such as income. The net wealth tax was therefore introduced not only due to the innate virtues claimed for it, but also due to it being considered to be vital to an all-inclusive system of personal taxation (Tanabe, 1967:132).

3.2.4 Administrative control

Groenewegen (1985:309) and Isaacs (1977:35) conclude that a final argument advanced for net wealth taxation is that it promotes a greater efficiency of income tax and wealth transfer administration as it generates much data for revenue authorities. They also state that this is done by providing information on capital values that can be used to crosscheck the accuracy of income tax returns, therefore enabling revenue authorities to advance tax administration as a whole by making it easier to discover, and therefore discourage, tax evasion. Isaacs (1977:35) reasons that net wealth tax data can also provide useful periodic statistical information in tracking the distribution of personal wealth within a country. Shakow and Shuldiner (2000:500) predict that the consideration of net wealth tax may provide information that may be useful to provide insight into other taxes. In order to discover and assess transfers of wealth, one must have the latest statements of financial position on all large wealth holders. Otherwise, gifts may be given secretly and transferred assets may be undervalued (Wisman & Sawers, 1973: 428).

Brown (1991:342) explains that the initial taxes required to be paid by each taxpayer under the pay-as-you-earn system are intended to cover the amount due under the net wealth tax, as well as amounts due under the national and local income taxes. Brown (1991:342) also identifies that a taxpayer with enormous increases in net wealth and who has reported only small amounts of income may request unusual inspection from the tax authorities. Tanabe (1967:132-133) indicates that almost all applicable reports, recommendations and speeches suggest that a supplementary tax on net wealth stimulates the efficiency of tax administration. Tanabe (1967:132-133) claims that investment income is the result of wealth and that assessment of taxes on both income and wealth, by the same taxing authority, advances the administrative efficiency of the tax system for these two taxes. Administered together, they provide an enhanced criss-cross on evasion and concealment than a tax on either alone. Effective administration of an income tax requires that, even in the absence of a net wealth tax, the net wealth of taxpayers are calculated every year as a check on the investment revenue declared. France and Argentina were, however, the only countries that implemented net wealth tax in order to have more control over their tax administration.

3.2.4.1 France

Kessler and Pestieau (1991:319) and Verbit (1991:181) argue that the other reason for the introduction of net wealth tax in France was for the tax to act as a crosscheck on the income tax.

3.2.4.2 Argentina

The net wealth tax in Argentina was introduced in 1951, as they believed that it would make the collections of other taxes possible and it would be relatively easier to administer (Tanabe, 2000:135).

3.2.5 Conclusion

The implementation of net wealth tax has been supported by many experts and implemented by different countries since the eighteenth century. This was usually due to the fact that many believed wealth possesses many benefits for its owner, more than that of income. The implementation of net wealth tax fell under the four major arguments in favour of the tax, including horizontal equity, which can be translated as the ability to pay the tax by the wealthy taxpayers, the ability of net wealth tax to supplement the income tax, the productive usage of idle assets and the ability to tax wealth in a much heavier way than income. The reduction of inequality, which can also be explained as the way in which net wealth tax can assist to reduce the concentration of wealth from a handful of individuals and the equal distribution of wealth and power among the citizens. Efficiency which is the ability of net wealth tax to act as a substitute for income tax and the administrative control that can be explained as a way for net wealth tax to promote greater efficiency of the income tax administration and the ability to provide statistical information in tracking the distribution of personal wealth. Along with the implementation of net wealth tax, there were also several countries that have subsequently abolished the tax as outlined in Section 3.3.

3.3 WEALTH TAX ABOLISHMENT

Isaacs (1977:35) and Richardson *et al.* (2003:333) argue that the taxation of net wealth has many disadvantages. These disadvantages also contributed to the abolishment of net wealth tax all over the world, like developed countries, some developing nations have moved away from net wealth tax (Chatalova & Evans, 2013:450). Profeta *et al.* (2014:725) argue that the declining reliance on net wealth taxes is due to several factors, namely:

- The ancient decline of wealth inequality, a common trend among developed countries. Even if their levels of wealth inequality are very dissimilar.
- Growth and the process of capital accumulation, which contribute to inequality lessening and further hasten the decline of inheritance tax rates.
- Tax compliance: where compliance is low, as in continental European countries, inheritance taxes are lesser than in the United Kingdom (UK) and the United States (US) where tax compliance is high and final.
- The positive reliance on inheritance tax revenue has been related to political institutions.

Japan, Nicaragua, Germany, Ireland, the Netherlands, Pakistan, Sweden, Colombia, Luxembourg, France, Italy, Argentina and Indonesia are the only countries that are discussed under the abolishment reason, as they fell within the scope of the SLR and had the reasons for their abolishment available in the articles chosen as per the SLR. A number of factors including, but not limited to, (1) practical difficulties, (2) adverse economic consequences, (3) double taxation and (4) other reasons, have contributed to the abolishment of net wealth taxes among the countries that have previously implemented it and these reasons are discussed below.

3.3.1 Practical difficulties

Brown (1991:342) identifies that one of the arguments made against the imposition of a net wealth tax is the difficulty of meeting the tax payments by the taxpayers. Brown (1991:342) is also of the opinion that the taxation of net wealth can be expected to be problematic to numerous taxpayers who have property but little or no current income, compelling them to sell part of their assets in order to pay the tax. Tanabe (1967:144-145) states that these taxpayers are not largely influenced by the virtues of the argument that the ownership of wealth represents taxable capacity, and as such, quite apart from money income that it may produce, and resist the tax as they lack funds to pay it. If the amount of wealth accumulated is trivial, serious destitution can result, even owners of large estates may be penalised if they are obligated to sell their assets. Schenk (2000:432) explains that an imposition of the tax on the taxpayers' net wealth at the beginning of the year fails to tax later accruing wealth until the following year.

Maloney (1988:634) and Shakow and Shuldiner (2000:526) established that the main administrative difficulty is that net wealth tax obliges taxpayers to value their assets on an annual basis. Brown (1991:342) argues that specialised rules for the valuation of many different assets, including arbitrary valuation formulae, safe haven rules and arbitrary exemptions, would likely be required before self-assessment could be made into a workable system.

Wisman and Sawers (1973:420) reason that net wealth taxes are expected to be more simply evaded than income taxes since it is easier to conceal assets than income and more difficult to assess assets than income, and that significant underreporting exists. Brown (1991:342) states that net wealth tax is usually a national tax levied by the central government. Brown (1991:342) also explains that the problem of discovering all assets, especially intangibles, the necessity of unifying the valuation rule, and the role of the tax, practically impede the use of the tax below the national level. Plecnik (2014:494) asserts that any proposal for a new net wealth tax must respond to the ancient criticism that net wealth taxes are difficult or impractical to administer. It is certainly true that the annual valuation of a taxpayer's wealth is possibly hostile, costly and time consuming due to the fact that regular valuations can be costly and inefficient and irregular valuations can be invalid and prejudiced (Plecnik, 2014:495). The following four countries that have implemented net wealth tax in the past subsequently abolished it due to practical difficulties.

3.3.1.1 Japan

Bird (1991:331-332), Isaacs (1977:37) and Tanabe (1967:126) outline that Japan subsequently abolished the net wealth tax in 1953 due to the fact that net wealth tax performed far below expectation in terms of the exchange of information between the income tax administrators and net wealth tax administrators. This exchange was intended to function as a coordination between the two taxes (Tanabe, 1967:141). Tanabe (1967:144) argues that one of the principal reasons for Japan's abolishment of the net wealth tax was the severe disparity of its burden between those who owned cash, jewellery, bank deposits and securities, which were very difficult for tax authorities to trace and those with real property that was relatively easy to identify. Tanabe (1967:144) also states that the difficulty of determining the true owners of intangibles was strengthened by Japan's policy of shielding private saving in the form of anonymous deposit accounts; bearer shares. He also explains further that a recent study of the Japanese tax system stated: "*The net worth tax proved unjust as most of the burden fell on real property owners whose net worth is easily identified*".

3.3.1.2 Nicaragua

Tanabe (1967:126) states that Nicaragua replaced the net wealth tax in 1962 with two taxes: the real estate tax and the personal property tax. This was due to (1) incomplete declarations by taxpayers, (2) under-valuation of assets and (3) evasion of tax. He also argues that in order to resolve these problems, the Fiscal Commission recommended that the real estate tax be separated from the personal property tax and that first priority be given to a cadastral survey that could provide effective identification and realistic valuation of land, where most of the country's wealth was concentrated.

3.3.1.3 Germany

Lehner (2000:626) wrote that the Federal Constitutional Court declared the net wealth tax in Germany unconstitutional in 1995 and this led to its abolishment in 1997. Chatalova and Evans (2013:445) explain that in Germany, administrative and valuation issues were the reasoning behind the abolishment of the net wealth tax. They also argue that the reasoning of Germany's Federal Constitutional Court was based on the concern that different valuations for different kinds of property were in violation of equality of law principles. Taxpayers attempting to lessen their tax burden, while remaining within the letter of the law, manipulated these differences and discrepancies.

3.3.1.4 Ireland

Bird (1991:327) states that net wealth tax in Ireland was riddled by exemptions and had a high threshold and that its effectiveness in this respect was doubtful. Bird (1991:327) also states that a careful valuation of the operations and consequences of the Irish net wealth tax established that it "*was not only a failure, but a costly failure*". Bird (1991:327) further explains that in the circumstances stated above, it is perhaps not surprising that this tax was abolished when the opposition came to power in 1977. Bird (1991:359) concludes that many of the difficulties of the Irish net wealth tax were not innate in net wealth taxation as such, but rather ascended from both the unusual flawed design and administration of the tax and the expeditious manner in which it was introduced. The new government promptly abolished net wealth tax, leaving the capital acquisition tax as the only tax on wealth (Bird, 1991:359).

3.3.1.5 Pakistan

According to Lehner (2000:135), Pakistan abolished the net wealth tax on private corporations due to irregularities generated by the tax. These irregularities especially affected the shareholders that belong to the middle classes who are themselves not liable for personal net wealth tax but, unlike the large shareholders, do not get a reduction for the tax paid by the private corporations in which they hold shares. He also states that they experienced administrative difficulties to associate the assessment of the shareholders liable to net wealth tax, with the assessment of the corporation in which they hold shares. He further outlines that to compensate for the forfeiture of revenue resulting from the abolishment of net wealth tax on private corporations, the net wealth tax rate on individuals was increased.

3.3.2 Adverse economic consequences

Davies (1991:296) argues that net wealth taxes are likely to reduce domestic savings. Shakow and Shuldiner (2000:519), however, critique that the imposition of net wealth tax does not imposes a burden on risky investments beyond that imposed on safe investments. They also state that net wealth tax does not alter the choice between safe and risky investments even though it discourages savings. Shakow and Shuldiner (2000:519) state that the adverse consequences of net wealth tax on investments is possibly less per unit of revenue than those of an income tax on property income since the former rests directly on the total sum accumulated by the person, regardless of the gain. The Netherlands and Sweden are, however, the only countries that have abolished the net wealth tax due to the adverse economic consequences.

3.3.2.1 The Netherlands

Tanabe (2000:663) explains that due to the flight of capital to Belgium, where no net wealth tax exists, and due to the negative effect of the net wealth tax on the financing of small- and medium-sized businesses, many politicians felt that the net wealth tax had to be abolished. Moreover, political opponents found it unacceptable for earned income to be taxed at high rates while unearned income was taxed at a low flat rate (Tanabe, 2000:663). Chatalova and Evans (2013:446) state that the Netherlands abolished its net wealth tax in 2001 but soon enforced a simpler 30 per cent capital tax on theoretical revenue of particular assets, net of corresponding liabilities. They also state that this shift in the Netherlands' practice aimed to capture more accurately the efficiency concept of net wealth taxation. It was said to be a policy that had superior alignment with the encouragement of entrepreneurial ventures. Chatalova and Evans (2013:446) explain that the Netherlands decided to abolish net wealth tax in 2001 as a consequence of apprehensions that it was contributing to capital flight out of the country. The Netherlands also observed this tax as a hindrance to foreign investors.

3.3.2.2 Sweden

Chatalova and Evans (2013:445) state that Sweden abolished their net wealth tax in 2007 in order to decrease the risk of capital flight and to simplify the tax system. They also explain that it was abolished due to irregularities in the administration of private wealth and operating assets that led to ineffective and unbalanced outcomes. They further state that a longing for the unrestricted movement of capital made it problematic to keep this tax alive, particularly as it contradicted the tax systems of a growing number of countries.

3.3.3 Double taxation

Lehner (1967:686) argues that the argument often made against the assessment of a net wealth tax is that the net wealth tax is levied on income that was already taxed at earlier points. Thus, according to the argument, the result is a double burden, which could not be justified. Colombia and Luxembourg are the only countries that abolished their net wealth tax due to the double taxation problems associated with net wealth tax.

3.3.3.1 Colombia

Tanabe (1967:135) explains that Colombia abolished the net wealth tax on corporations in 1960 by eliminating international double taxation in order to attract foreign capital.

3.3.3.2 Luxembourg

Chatalova and Evans (2013:447) found that Luxembourg abolished net wealth tax on individuals in 2006 but concurrently implemented a 10 per cent withholding rate on interest from all individuals' savings to safeguard its overall tax revenues. Luxembourg abolished the disorganised double taxation that was existent under its preceding system which was levied at both the corporate and the individual levels. Net wealth tax on corporations is, however, still imposed on the taxpayers (Chatalova and Evans (2013:447).

3.3.4 Other reasons

There are, however, other reasons for abolishment, aside from those already discussed. Tanabe (1967:146) indicates that there were possibly three other reasons that led to the abolishment of the net wealth tax in Japan, excluding the ones mentioned in section 3.3.1.1, and they are:

- The tax administration of net wealth tax presented difficulties when it came to the valuation of assets and liabilities. This was due to the serious administrative problem of the valuation of quotas and shares of the enterprises with no public sales as there were numerous individual business enterprises and closely held corporations (about 90 per cent of the total number of corporations) in Japan.

- The net wealth tax was intended to encourage a more productive use of wealth, however, the outcome was somewhat beyond that anticipated as such a modification in the tax system required so many considerations in addition to the form of taxation.
- The tax generated only a relatively small portion of total tax revenue in comparison to its high administration costs.

The following four countries abolished their net wealth tax due to other reasons:

3.3.4.1 France

The net wealth tax in France was abolished in 1986 when the fate of net wealth tax had been closely tied to party fortunes (Verbit, 1991:181). Verbit (1991:181) also explains that a conservative government, which included the abolishment of net wealth tax in its campaign, came to power in 1986. The tax was promptly abolished upon their accession to government. Verbit (1991:191) states that after elections in the spring of 1988, however, the Socialist Party returned to government and pledged to reintroduce the tax. This tax was, however, only re-introduced in 1989. Verbit (1991:191) identifies that the socialists were 12 seats short of an outright majority, and opted for an 'opening to the centre' by including a number of centre-right political figures in the cabinet. The party's redistributive ambitions were also constrained by the movement towards a single European market and economic integration on a more global basis (Verbit, 1991:191).

3.3.4.2 Italy

Lehner (2000:659) explains that the net wealth tax in Italy was abolished in 1997 in order to make way for a new regional tax on productive activities and was regarded as a successor to the previous net wealth tax and other taxes on wealth.

3.3.4.3 Argentina

Banting (1991:329) argues that Argentina, which had a corporate net wealth tax for a long time, abolished both this “capital tax” and the individual net wealth tax in 1989. The capital tax, which had been levied at a rate of 1.5 per cent, was, however, replaced by a one per cent tax on gross assets, with the tax being creditable against income tax. Moreover, following the sharp break in growth trends in the early 1970s, the public opposition to support “growth” as opposed to “equity” measures increased, and the abolition of taxes on wealth can clearly be presented in this light, regardless of the weakness of the case for doing so.

3.3.4.4 Indonesia

Indonesia abolished its net wealth tax as part of changes to the provisions of the tax system, thereby reducing inefficiencies in the tax system in 1985 (Bird, 1991:324).

3.3.5 Conclusion

The introduction of net wealth tax proved to be a great disadvantage among different countries. Among the 25 countries that have introduced net wealth tax, 14 subsequently abolished the tax due to different reasons, which leaves only 11 that are still imposing it. Among the countries that have abolished the net wealth tax, Japan, Nicaragua, Germany, Ireland and Pakistan abolished it due to practical reasons although they were in different forms. Japan abolished it because it was difficult to discover the true owners of assets. While Nicaragua abolished it as there were incomplete declarations of assets by taxpayers. Germany abolished the net wealth tax on the grounds of administration and valuation issues, and in Ireland it was as a result of high thresholds and many exemptions that were associated with it. The Netherlands and Sweden were the only ones that abolished net wealth tax due to the adverse economic consequences that it brought. They abolished it due to the high number of wealthy residents who left the country, which resulted in high capital drains out of the country. Luxembourg and Colombia abolished net wealth tax due to double taxation and in Italy, Japan, Argentina and Indonesia it was abolished due to other reasons mentioned in section 3.3.4. These other reasons include public opposition, party fortunes, unconstitutionality of net wealth tax, and replacement with a higher rate on income tax—see section 3.3.4.

3.4 RESULTS AND FINDINGS

The taxation of net wealth tax has been around for many years as outlined in Section 3.2 and summarised in Table 3.1. Table 3.1 illustrates the years in which the 22 countries implemented net wealth tax (within the scope of the SLR), the year when the tax was abolished, the level of taxation (where applicable), the type (progressive or proportional) of taxation imposed on taxpayers, and the duration that the tax lasted.

Table 3.1: Net wealth tax overview

Country	Year implemented	Year abolished (if applicable)	Duration of the tax in years	Level	Taxpayer	Type of taxation	Source
1. Switzerland	1719	N/A	298	Cantons/ local	Individuals and corporations	Progressive for individual and proportional for corporations	Tanabe, 1967:162
2. Denmark	1904	1995	91	National	Individuals	Progressive	Tanabe, 1967:126
3. Sweden	1910	2007	97	National	Individuals	Progressive	Tanabe, 1967:126
4. Norway	1911	N/A	106	National and local	Individuals and corporations	Progressive for individual and proportional for corporations	Lehner, 2000:663
5. The Netherlands	1914	2001	87	National	Individuals	Proportional	Lehner, 2000:661
6. Germany	1922	1997	75	Local	Individuals and corporations	Proportional	Tanabe, 1967:126
7. Colombia	1935	1960	25	National	Individuals	Progressive	Tanabe, 1967:127
8. Nicaragua	1939	1962	27	National	Individuals	Progressive	Tanabe, 1967:144
9. Japan	1950	1953	3	National	Individuals	Progressive	Tanabe, 1967:131
10. Luxembourg	1952	2006	54	National	Individuals and corporations	Progressive for individual and public companies and proportional for private corporations	Lehner, 2000:660
11. India	1957	2016	59	National	Individuals and corporations	Progressive	Krishnan, 1972:22
12. Ceylon/Sri Lanka	1959	#		National	Individuals	Progressive	Tanabe, 1967:126
13. Pakistan	1963	1965	2	National	Individuals	Progressive	Tanabe, 1967:126

Country	Year implemented	Year abolished (if applicable)	Duration of the tax in years	Level	Taxpayer	Type of taxation	Source
14. Uruguay	1964	1967	3	National	Individuals and corporations	Proportional	Tanabe, 1967:162
15. Spain	1977	2008	31	National	Individuals	Progressive	Alvaredo & Saez, 2009:1143
16. France	1982/ 1989 (re-introduced_	1986	4 28	National	Individuals	Progressive	Verbit, 1991:181
17. Indonesia	#	1985	#	#	Individuals	#	Bird, 1991:324
18. Argentina	1951	1989	39	National	Individuals and corporations	Proportional	Tanabe, 1967:135
19. Italy	1992	1997/ reintroduced in 2012	5 5	National	Corporations	Proportional	Lehner, 2000:659
20. Russia	1992	N/A	25	National	Corporations	Proportional	Lehner, 2000:664
21. Finland	1993	2006	13	National	Individuals and corporations	Progressive for individual and proportional for corporations	Lehner, 2000:619

Source: Researcher’s own interpretation

#- information was not available in the articles chosen using the SLR.

Table 3.1 illustrates that Switzerland implemented net wealth tax in 1719, which makes it the only country to have implemented it in the 18th century. It is also evident that of the 22 countries that have implemented net wealth tax, as per the information obtained through the SLR, only two countries impose the tax on the taxpayer at the local/ municipality level, while only Norway imposes it both on the local and national level. The rest of the countries impose it at the national level only. Table 3.1 illustrates that 13 countries impose the tax only on individuals, three countries impose it on corporations, and six countries impose it on both individuals and corporations. Thirteen countries impose net wealth tax in a progressive manner for individuals and two for corporations while four countries impose it in a proportional manner for individuals and seven for corporations. The introduction of net wealth tax proved to be a great disadvantage among different countries. Among the 22 countries that have introduced net wealth tax, as outlined in Table 3.1, 14 of them subsequently abolished it due to different reasons, which leaves only 11 that are still imposing it.

From Table 3.1, it is evident that the countries still imposing the tax today, are those that have had net wealth tax for a long duration—this includes Switzerland and Norway. Switzerland has imposed net wealth tax at the local level for 298 years and Japan and Uruguay imposed it at the national level for only three years. It can be concluded that net wealth tax imposed at the national level has had a negative outcome as it was abolished, with the exemption of Denmark that has imposed net wealth tax for 91 years already. It is also evident that the countries imposing net wealth tax for the longest duration (i.e. 50 years) are those imposing it in a progressive manner. Therefore, it can be concluded that progressivity, when it comes to net wealth tax, is effective as it taxes taxpayers at different rates depending on the value of their net assets.

The primary objective of the study was to obtain an understanding of the initial implementation and subsequent abolishment of net wealth taxes across various countries. The implementation reasons as illustrated in Table 3.2 were derived from the arguments in favour of net wealth tax in general and were matched against the reasons provided by the different countries that have implemented the tax. The reasons included horizontal equity, reduction of inequality, efficiency and administrative control. Horizontal equity refers to the taxpayers "*ability to pay*" principle by the taxpayers, the way in which the tax would contribute to a more productive use of the capital by imposing a heavier burden on the unproductive assets, the ability of the tax to increase revenue and supplementing the income tax. The reduction of inequality was based on how net wealth tax promotes the reduction of wealth in the hands of the few. Efficiency referred to the vertical equity concept of having a tax system that runs smoothly. Lastly, the administrative control argument was based on the concept that net wealth tax can assist in the administrative control of other forms of taxation (e.g. income tax). Table 3.2 outlines the countries that implemented net wealth tax and that were covered by the SLR as outlined in section 3.2.

Table 3.2: Implementation reasons

Country	Horizontal equity	Reduction of inequality	Efficiency	Administrative control
1. Switzerland			X	
2. Denmark	X			
3. Sweden	X			
4. Germany	X			
5. Colombia	X			
6. Nicaragua	X			
7. Japan			X	
8. India			X	
9. Pakistan		X		
10. Spain	X			
11. France		X		X
12. Luxembourg	X			
13. Argentina				X
14. Italy	X			
Total	**8**	**2**	**3**	**2**

Source: Researcher's own adaptation

Table 3.2 divided the reasons for the implementation according to the countries to which they relate. It is illustrated that the majority of countries implemented net wealth tax based on the horizontal equity argument followed by those who implemented for efficiency purposes.

Although the countries that implemented net wealth tax had objectives of what they intended to achieve, with the implementation of net wealth tax, they achieved poorer results than what they had anticipated. This subsequently led to the abolishment of net wealth tax in some countries. Table 3.3 outlines the different reasons why some countries abolished net wealth tax. The reasons include: (1) practical difficulties, that includes: valuation problems, administrative problems, the difficulty of meeting payments; (2) the adverse economic consequences that includes the extent to which net wealth tax affects the economic activities such as the capital flight and the effect it has on entrepreneurial activity; (3) double taxation, which meant taxing the same tax unit two or more times. And, lastly, (4) other reasons that fell outside the scope of the abovementioned reasons, these reasons include the introduction of taxes for a limited period, the public opposing the tax, the tax being rendered unconstitutional by the courts and abolishing the tax in order to make way for a new tax that will replace net wealth tax.

Table 3.3: Abolishment reasons

Country	Practical difficulties	Adverse economic consequences	Double taxation	Other
1. Japan	X			
2. Nicaragua	X			
3. Ireland	X			
4. Indonesia				X
5. France				X re-introduced in 1989
6. Argentina				X
7. Germany	X			
8. Pakistan		X - only for corporations		
9. Italy				X
10. Netherlands		X		
11. Luxembourg			X - only for individual taxpayers	
12. Sweden		X		
13. Colombia			X	
TOTAL	**4**	**3**	**2**	**4**

Source: Researcher’s own adaptation

Table 3.3 Illustrates that four of the countries that abolished net wealth tax based their reasoning on the practical difficulties, two countries abolished it based on the adverse economic consequences, while two countries abolished it based on the double taxation problems, and four countries had other reasons not listed in Table 3.3. Therefore, most countries that have abolished net wealth tax have outlined that practical difficulties have been the common reason behind the abolishment of the tax. Although India abolished their net wealth tax as described in Chapter 1, the literature regarding their abolishment fell outside of the scope of the inclusion and exclusion criteria of the SLR for this study.

Table 3.4 outlines the comparison between the abolishment and implementation reasons among the countries that have abolished net wealth tax. This comparison was done in order to determine an association between the reasons for implementation and abolishment, as stated in the problem statement in section 1.2. The information illustrated in Table 3.4 was obtained from Table 3.2 and Table 3.3 with the literature that was available in the articles chosen as per the SLR.

Table 3.4: Abolishment versus implementation reasons

Country	Implementation reason	Abolishment reason
Japan	Efficiency	Practical difficulties
Nicaragua	Horizontal equity	Practical difficulties
Ireland		Practical difficulties
Indonesia		Reforming the tax system
France	Reduction of inequality and administrative control	Party fortunes
Pakistan	Reduction of inequality	Practical difficulties
Argentina	Administrative control	Public opposition
Germany	Horizontal equity	Practical difficulties
Italy	Horizontal equity	Replaced with a tax on productive assets
The Netherlands		Adverse economic activities
Luxembourg	Horizontal equity	Double taxation
Sweden	Horizontal equity	Adverse economic activities
Colombia	Horizontal equity	Double taxation

Source: Researcher's own adaptation

Due to the limited literature available, using the articles chosen as per the SLR, a thorough comparison between the association of implementation and abolishment reasons could not be made. Therefore, it can only be concluded that there is no association between the countries that have implemented the tax for the same reason as why they subsequently abolished it. However, it was also illustrated that the two countries that implemented the tax in order to achieve horizontal equity later abolished net wealth tax due to practical difficulties. It was also discovered that all the countries that introduced net wealth tax based on horizontal equity, imposed it for more than 20 years, which may be concluded as the most effective reason for the introduction of net wealth tax as it was imposed for more years than with any other reason. The countries that abolished net wealth tax due to the adverse economic consequences that it brought about in the country imposed the tax for more than 50 years, which may conclude that the adverse economic consequences were not that severe and did not just happen within the first few years of implementing the tax.

3.4.1 Conclusion

The literature presented revealed that of the 22 countries that have implemented net wealth tax, 14 of them abolished net wealth tax, while 10 of them are still imposing the tax, while 2 countries abolished the tax only on either individuals or corporations. As per the information obtained through the SLR, only 14 countries had their reasons for implementation covered by the SLR and 13 of them subsequently abolished the tax due to different reasons. It was discovered that Denmark, Sweden, Germany, Colombia, Nicaragua, Spain, Luxembourg and Italy implemented net wealth tax in order to achieve horizontal equity. Only Pakistan and France aimed to reduce inequality using net wealth tax. Switzerland, Japan and India aimed to achieve efficiency when they implemented net wealth tax, while France and Argentina, which was to achieve control over the administration of other forms of taxation. It is also evident from the findings that the reason for the implementation of net wealth tax does not have any effect on the abolishment reasons for the tax, as no association exists between the two. Due to the fact that SA is currently investigating the feasibility of implementing net wealth tax, this non-association between the reasons for abolishment and implementation may assist the DTC in their decision-making on whether to recommend the implementation of net wealth tax or to reject it.

3.5 WEALTH TAX FOR SOUTH AFRICA

In 1993, Professor Sampie Terreblanche, an Economics professor at Stellenbosch University, recommended the introduction of net wealth tax. He stated that: *"Individuals with net assets of more than two million should pay an annual wealth tax of a half per cent for the period of between ten to twenty years, as a way of restoring the necessary social justice and stability"* (AFRA News, 1993). This was followed by the feasibility study on the introduction of net wealth tax in SA in 1994 by the Katz Commission (as cited by the DTC, 2015), where they referred to net wealth taxes as a measure to lessen the substantial disproportion of income and assets among the different groups in SA. Given the substantial concentration of wealth in the hands of quite few people, the Katz Commission established that the main reasoning behind net wealth tax was that it promotes vertical and horizontal equity and that the contribution of net wealth taxes to the overall objectivity of the tax system should not be miscalculated (DTC, 2015). Furthermore, given the interchanges between the intentions of administrative simplicity and certainty of equity, the commission indicated that the objectivity of the tax system would be enriched by the introduction of some form of taxation on wealth (DTC, 2015).

The Katz Commission accepted the following principles of the tax system:

- Efficiency: The tax system must generate adequate revenue for the government, with minimum distortions to the economy.
- Equity: Both horizontal and vertical equity are important, therefore, all residents/taxpayers must contribute to the country's financial needs according to their abilities.
- Simplicity: Taxes should be simple to understand and collected at a convenient time.
- Transparency and certainty: The manner in which taxes are collected and the calculation of tax liabilities should be certain. Tax rules and procedures should be transparent and applied consistently.

  However, the Katz commission pointed out several well-known and documented shortcomings related to annual net wealth taxes, particularly including the following (DTC, 2015):

- The significant cost related to the identification, measurement and valuation of assets.
- The principle of efficiency may be affected by the compliance and collection costs, which are likely to be high.

- Net wealth taxes act as a hindrance to entrepreneurship and discourages savings among the taxpayers.
- Such taxes may encourage capital flight and possibly high levels of migration among citizens.
- Net wealth taxes do not comply with the taxation principle which states that "*taxes should be levied at the time that is most convenient to the taxpayer"* and may require a sale of assets or an increase in borrowings to pay the taxes if income is not readily available to pay net wealth tax.

The Katz Commission (as cited by the DTC, 2015) shared these concerns and recommended in its third interim report in 1994 that an annual net wealth tax should not be introduced, mostly due to problems related to compliance and administration. This recommendation was carried through into the fourth interim report of the Katz Commission in 1994.

The debate on net wealth tax in SA did not just end with the Katz Commission in 1994 and was raised again during the Truth and Reconciliation Commission (TRC) by Archbishop Desmond Tutu in 1997 (Laurence, 1997) and again in 2011 (IOL, 2011) when he stated that Apartheid left SA filled with hate, as white people benefited a lot in the past and stated further that a one per cent of stock exchange holdings may be uplifting to the community. This issue was carried forward in the final report submitted by the TRC in 2003 when they recommended that a once-off net wealth tax should be imposed on private and corporation income to help compensate victims of Apartheid (News24, 2003). The TRC's recommendations were rejected by the then president, Thabo Mbeki, on the grounds that net wealth tax would hurt businesses and deter investors (Tax news, 2003).

The renowned French economist, Thomas Piketty again revived the debate on the introduction of net wealth tax in 2015 during the thirteenth annual Nelson Mandela lecture (Nelson Mandela Foundation, 2015). Piketty stated that the inequality levels in SA could be reduced by the introduction of a global net wealth tax. Many organisations and experts in SA supported Piketty's views while there were also several experts who disagreed with Piketty's views, they included:

- The African National Congress (ANC)

The ANC youth league passed a resolution in 2015, where they called for the introduction of net wealth tax that targets the super-rich, in order to raise the additional revenue to finance programmes aimed at development, such as National Health Insurance (NHI) and the National Student Financial Aid Scheme (NSFAS) (Daily Maverick, 2015).

- Dr Jammine Azar (Econometrix director and chief Economist)

The implementation of net wealth tax in SA could aid in reducing the income tax and could fund the development expenditure (Mail & guardian, 2015).

This prompted the then Minister of Finance, Pravin Gordan, to request the DTC to investigate the feasibility of introducing the net wealth tax, the land tax, and the national tax on the value of property (DTC, 2016). The former Minister of Finance established the DTC in 2013 to enquire into the role of the tax system in the promotion of inclusive economic growth, employment creation, development and fiscal sustainability. In doing so, the committee took into account recent domestic and international developments and, particularly, the long-term objectives of the National Development Plan (NDP) (DTC, 2013). During the 2015 medium-term budget policy statement, the former Minister of Finance cautioned "*If we do not achieve growth, revenue will not increase. If revenue does not increase, expenditure cannot be expanded*" (Department of Finance, 2016:39). In 2011 the National Planning Commission (2011:5-6) developed the NDP that proposed the following goals to be achieved by 2030:

- Creating jobs and livelihoods
- Expanding infrastructure
- Transforming to a low-carbon economy
- Transforming urban and rural spaces
- Improving education and training
- Providing quality health care
- Building a capable state
- Fighting corruption and enhancing accountability
- Transforming society and uniting the nation.

The DTC is currently investigating the feasibility of the introduction of net wealth tax in SA and called for submissions regarding net wealth tax in SA from the public (DTC, 2017). The following institutions made submissions to the DTC and shared the following opinions:

- South African Institute of Chartered Accountants (SAICA)

The introduction of net wealth taxes in SA would not be an effective means of addressing the inequality problems. Wealth inequality must be addressed though other policy measures such as through expansionary fiscal policy (SAICA, 2017:24).

- South African Institute of Tax Practitioners (SAIT)

Implementing net wealth taxes can be expected to raise the disproportionate administrative burden on taxpayers and the South Africa Revenue Service (SARS) (SAIT, 2017:2).

- Forestry South Africa (FSA)

The revenue generated from the net wealth tax may be lower than expected as the collection and compliance costs would be significant (FSA, 2017:26).

- Thokozile Madonko (Dullah Omar Institute, UWC)

*"It is strongly recommended that wealth taxes be implemented as a tool of redressing SA's highly unequal distribution of wealth" (*Dullah Omar institute, 2017:4).

- Dr. Anthea Jeffery (head of policy research, Institute of Race Relations (IRR))

"Wealth tax will likewise end up in the hands of a small clique of ANC cadres spread across all tiers of government and a host of SOEs. Moreover, even if corruption could effectively be ended, a new wealth tax would still do little to overcome inequality" (Biznews, 2017).

The third objective for this study as described in Chapter 1, section 1.3.2, was to compare SA's possible implementation reasons with other countries. Due to the fact that SA does not impose a net wealth tax on its taxpayers and have never implemented the tax, the possible implementation reasons were obtained from individuals and institutes who have suggested the implementation of the net wealth tax in SA as outlined in section 3.5. The net wealth tax implementation reasons from other countries were obtained from the reasoning behind the implementation of the tax across different countries as outlined in section 3.2. These reasons are summarised and illustrated in Table 3.5 to be compared with the reasons for SA.

Table 3.5: Comparison between SA's possible implementation reasons with those of other countries

Implementation reasons	
South Africa	**Other countries**
Restore social justice and stability	Horizontal equity
Simplify tax system	Efficiency
Reduce inequality Redress the wrongs of the past	Reduction of inequality
Supplement tax revenue	Administrative control

Source: Researcher's own adaptation

Table 3.5 outlines that out of the four possible implementation reasons for SA some of them are linked with that of the other countries that have implemented net wealth tax in the past. The reduction of inequality, simplifying the tax system and the supplementation of revenue collection by the government are linked with that of the other countries. This shows that the reasoning behind net wealth tax implementation in SA is in line with the other countries that have experimented with this tax. Restoring social justice and stability and redressing the wrongs of the past are the only two possible implementation reasons that are not in line with those of the other countries because they are specific to the history of SA with regard to the Apartheid regime in SA prior to 1994.

Alongside the implementation reasons for other countries, there are the abolishment reasons. The abolishment reasons are paramount as it became evident that net wealth tax has had little success in most countries that have implemented it. This dire experience with net wealth tax is where the Katz Commission obtained their reasons for discouraging the tax in 1994. The Katz Commission noted problems with net wealth tax as outlined earlier in section 3.5.

The Katz Commission in 1994 discovered problems associated with net wealth tax from the countries that have implemented it in the past. Table 3.6 compares these problems with the main reasons why net wealth tax was abolished in the countries that had abolished it to determine an association between the two.

Table 3.6: Comparison between problems associated with net wealth tax in SA as identified by Katz commission and abolishment reasons of other countries

Abolishment reasons	
South Africa	**Other countries**
• Valuation problems • Problems with tracking assets • Payments difficulties • High compliance and collection costs	Practical difficulties
• Negative effect on entrepreneurship • Decreased willingness to save by taxpayers • It encourages capital flight	Adverse economic consequences

Source: Researcher's own adaptation

Table 3.6 outlines the problems associated with net wealth tax in SA, as identified by the Katz Commission, with those of the countries that have implemented the tax in the past. It is evident that the seven problems associated with the net wealth tax in SA are associated with two of the three abolishment reasons identified by other countries. Due to the fact that SA has not implemented net wealth tax as yet, double taxation is not identified as one of the problems associated with wealth tax by the Katz commission.

3.5.1 Conclusion

SA has different forms of taxes that tax wealth, including: estate duty, transfer duty and donations tax, but does not have an annual net wealth tax. Different individuals and institutions have raised the possibility of implementing net wealth tax in SA throughout the years and the reasons include:

- Restoring social justice and social stability in the country.
- Reducing the concentration of wealth in the hands of a few.
- To simplify the administrative burden of tax systems in SA.
- To redress the wrongs done by the Apartheid regime.
- To supplement the current tax system by increasing national revenue.

The net wealth tax, however, has not been implemented in SA as it has been discouraged and rejected by prominent people in the country, including the Katz Commission and former president Thabo Mbeki. The Katz Commission recommended that the tax should be rejected on the grounds of difficulties relating to compliance and administration, while former President Mbeki rejected the tax on the grounds that it would discourage investors from investing in SA and have dreadful consequences on entrepreneurial activity.

From the comparison between the implementation reasons of net wealth tax from other countries and the possible implementation reason for SA, it can be concluded that there is a strong association between them as many of the reasons correspond. However, the comparison between the abolishment reasons with the problems identified with net wealth tax revealed that there is no, or little, association between what the Katz Commission identified as reasons not to implement net wealth tax and the reasons that prompted the other countries to abolish it.

CHAPTER 4: CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

As stated in section 1.2, this study aimed to obtain an association between the implementation and subsequent abolishment reasons of net wealth tax among the countries that have implemented net wealth tax in the past. Therefore, the primary objective, as outlined in section 1.3.1, for this study was to acquire an understanding behind the reasons for the implementation and abolishment of net wealth taxes among various countries. The primary objective aimed to aid the SA government in their decision-making as they are currently investigating the feasibility of implementing net wealth tax in SA through the DTC.

In order to provide a better answer to the problem statement and the primary objective, secondary objectives were developed. These were: (1) investigating the history of net wealth tax worldwide, which entailed a description of net wealth tax design in general from all the countries that had implemented the tax; (2) to determine the overall reasons for the implementation and subsequent abolishment of net wealth tax worldwide; and (3) to compare the possible implementation reasons of SA with other countries that have implemented net wealth tax in the past.

As explained in section 1.4 and section 2.3 and 2.4, a qualitative research methodology, an SLR, was used to obtain suitable literature for this study and in order to address the problem statement, primary and secondary objectives. This chapter outlines the limitations of this study, a conclusion, and recommendations are provided. The contribution of this study is explained.

4.2 LIMITATIONS TO THE STUDY

Several limitations were identified during the course of this study and they include the following:

- The methodology for this study was based on an SLR that makes use of inclusion and exclusion criteria, which means not all forms of studies were included in the literature review and resulted in certain countries being excluded.
- The study included an extensive use of Tanabe (1967) and Lehner (2000) as sources as they were the only articles that were comprehensive enough for the type of literature that the researcher needed.

- The literature in Chapter 3, excluding the discussions on SA, was only based on the final articles chosen during the SLR process with the exception of section 3.5, which dealt with the literature on SA, which did not form part of the SLR process.
- The availability of the information pertaining to the taxpayer, tax base and rate, valuations, exemptions, administration, implementation and abolishment of net wealth tax for the countries included in the scope of the SLR were limited.
- The availability of information in the articles chosen as per the SLR resulted in the association between the implementation and abolishment reasons being limited.
- The SLR also had its own limitations, which included the limit on the pages per search, the type of source chosen, the accessibility of articles, articles with authors and relevant titles for this study.

4.3 CONCLUSION

Net wealth tax has been around since the eighteenth century and can be defined as a tax on a person’s total assets less certain exemptions and liabilities. Net wealth tax comprises of different taxations on wealth namely, net wealth tax, wealth transfer tax, gift tax, capital tax, inheritance tax and property tax, and they are categorised according to their intent. The taxation on wealth for different countries differ according to how they are taxed, who are taxed and the time when they are taxed. One of the taxations on wealth that is taxed on an annual basis is the net wealth tax. The design of net wealth tax is usually made up of the following factors: the taxpayer, the tax base and rates, exemptions, valuation, and administration. Most countries impose net wealth tax on individuals while others impose it on both individuals and corporations and some countries impose net wealth tax on corporations only. The tax base usually consists of net wealth less deductions for individuals and the total assets, not reduced by deductions, for corporations. There are a number of exemptions granted to taxpayers with one of their aims being to assist taxpayers who are less fortunate. Common assets that are exempt, among the countries that impose net wealth tax, include household items and personal effects, pension and annuities, owner-occupied houses and patent rights, copyright and goodwill. It has also been argued that the valuation of assets for net wealth tax purposes among the countries is commonly based on the market value with a few countries using the book values of assets where the market value is difficult to obtain. Assets such as immovable property, listed shares, debts and loans have been discovered to be the most difficult to value and this provides the reason why they are mostly exempted. The administration of net wealth tax is commonly decentralised with the same tax personnel who administer the income tax also administering the annual net wealth tax.

Net wealth tax has been implemented among various countries since 1719. Different experts have revealed their support for the introduction of net wealth taxes as they believe that the benefits derived from wealth outweighs those derived from income. As such they formulated a number of advantages of net wealth tax that has primarily been the reasons as to why many countries implemented net wealth tax. These included horizontal equity, the reduction of inequality, efficiency and administrative control. They believed that countries could achieve horizontal equity by using the “ability to pay”, taxing idle assets, net wealth tax being used to supplement the income tax, and taxing wealth in a heavier burden than they tax income. They further stated that net wealth tax could reduce the concentration of wealth from a handful of individuals and therefore distributing wealth and power equally among the citizens. The efficiency advantage is stated as the ability of net wealth tax to be a substitute for income tax; and the administrative control, which aims to promote greater efficiency of the income tax administration and its ability to provide statistical information regarding distribution of personal wealth.

Chapter 3 outlined that 25 countries implemented net wealth tax, although only 22 fell within the scope of the SLR. Chile, Slovenia and Iceland fell entirely outside the scope of the SLR and as a result were not discussed in this study. For some of the countries that fell within the scope of the SLR some had missing information related to the composition, implementation and abolishment of net wealth tax. Among the countries that have implemented net wealth tax, only 11 are still imposing it, while 14 countries abolished it due to different reasons. The main reasons identified through the literature review includes practical difficulties, adverse economic consequences, double taxation and other reasons, which included, unconstitutionality of net wealth tax, public opposition, party fortunes and the replacement of net wealth tax with higher income tax rate.

In order to answer the problem statement, a comparison between the implementation reasons for different countries and the subsequent abolishment reasons for various countries was performed in order to determine if there is an association between the countries that have implemented net wealth tax for similar reasons as their reasons for abolishing net wealth tax. As a result it was discovered that the reasons for the implementation of net wealth tax does not have any effect on the abolishment reasons among these countries as no association exists between the two. This comparison was also done with the aim of assisting the SA government while they are currently investigating the feasibility of net wealth tax implementation in SA.

There is currently no annual net wealth tax implemented in SA but other forms of taxation on wealth, however, exist, namely: estate duty, transfer duty and donations tax. The net wealth tax has been suggested for SA by different individuals and institutions throughout the years and the reasons included: (1) restoring social justice and social stability in the country, (2) reducing the concentration of wealth in the hands of a few, (3) simplifying the administration of tax systems in SA, (4) redressing the wrongs done by the Apartheid government, and (5) supplementing the current tax system by increasing the national revenue. The net wealth tax has, however, been discouraged and rejected in SA for different reasons. These reasons included the compliance and administration difficulties associated with net wealth tax and the ability of net wealth tax to discourage investors from investing in SA and the dreadful consequences on entrepreneurial activity.

The possible implementation reasons for SA were also compared to the reasons for implementation of net wealth tax among the various countries that have implemented net wealth tax with the aim of determining an association between the two. This comparison concluded that there is a strong association between the implementation reasons for net wealth tax in other countries and the possible implementation reasons for SA. It was also discovered that there is a strong association between what the Katz Commission identified as the problems associated with net wealth tax and the reasons that prompted the other countries to abolish the tax.

From the literature reviewed, this study concludes that SA should not implement net wealth tax as this study revealed that net wealth tax has many problems associated with it and many countries are abolishing it as they did not generate the results they desired. Other methods need to found and policies introduced in order to address the reasons given for wanting to introduce net wealth tax.

4.4 RECOMMENDATIONS

The researcher recommends that—based on the research conducted and the conclusion reached—the annual net wealth tax should not be introduced in SA. Other measures of reducing inequality, redressing the injustices of the past, simplifying the income tax system and supplementing the revenue should be introduced. These measures are to:

- Include the opinions of the public in their decision-making right to the end.

  It was discovered in Chapter 3 that France and Argentina abolished net wealth tax due to the political issues and the public being against net wealth tax, therefore including the public in the decision making may put the public at ease as they are involved at all stages of investigating the feasibility of this tax.

- Implement net wealth tax with rates that will not disadvantage the people willing to save and the entrepreneurs.

  Chapter 3 discovered that adverse economic consequences contributed to the abolishment of net wealth tax in the Netherlands and Sweden, therefore creating a net wealth tax environment that is fair to entrepreneurs and those willing to save may ensure the tax is fair for all taxpayers.

- Enter into double taxation treaties with others countries should the tax be a global taxation.

  Luxembourg and Colombia abolished the tax as to eliminate the double taxation problems associated with it as it was contributing to capital leaving the country. Therefore entering into double taxation agreements with other countries could ensure that less capital leaves the country as a result of a net wealth tax.

- Decreasing the unemployment rates and introducing free tertiary education to reduce the inequality levels.

  Chapter 3 revealed that France and Pakistan implemented net wealth tax with the aim of reducing inequalities but have since abolished the tax. From this we can conclude that net wealth tax does not reduce inequality.

- Introduce exemptions to all taxpayers to discourage capital flight.

  It was discovered in Chapter 3 that Japan and Germany have abolished net wealth tax due to the taxpayers taking their capital out of the country or emigrating.

4.5 CONTRIBUTION OF THE STUDY

The DTC is currently investigating the feasibility of the taxation of net wealth in SA by involving the public and hearing their opinions on the matter. Therefore, this study contributes by investigating the association between the reasons behind the implementation and subsequent abolishment of net wealth tax in other countries and comparing them with the possible reasons for the net wealth tax implementation in SA—thereby determining whether net wealth tax is feasible in SA or not. This study made a theoretical contribution, as it is a subjective study.

4.6 AREAS FOR FURTHER RESEARCH

The following areas, regarding the taxation of wealth in SA or worldwide, may be avenues for further research:

- The possible effects of net wealth taxation on the SA taxpayer.
- Alternative methods, which the SA government may use, to increase government revenue without taxing wealth.
- Comparison of the tax systems around the world.
- The extent to which a net wealth tax contributes to a government's revenue around the world.

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Addendum 2.1: Keywords/search terms used

Initial keywords
1. Wealth
2. Wealth tax
3. Wealth tax implementation
4. Wealth tax abolishment
5. Wealth transfer tax
6. Capital tax

Final keywords
1. Wealth tax
2. Wealth transfer tax
3. Capital tax

Addendum 2.2: Strategies to reduce hits

Search number	Date	Keywords/Search terms	Initial hits	Quotation marks	Sources	Subject	Number of pages	Accessibility /full text availability	Duplicates	Without authors
Scopus										
1	2017/06/20	"Wealth tax"	1 712	93	85	47	47	32		
2	2017/06/20	"Wealth tax implementation"	37	0	0	0	0	0		
3	2017/06/20	"Wealth tax abolishment"	2	0	0	0	0	0		
4	2017/06/20	"Wealth transfer tax"	235	10	6	4	4	3		
5	2017/06/20	"Capital tax"	8 695	358	351	292	125	93		
TOTAL			**10 681**	**461**	**442**	**343**	**176**	**137**	**134**	**134**
Ebscohost										
6	2017/06/21	"Wealth tax"	3 412	1 202	394	19	19	6		
7	2017/06/21	"Wealth tax implementation"	12	0	0	0	0	0		
8	2017/06/21	"Wealth tax abolishment"	2	0	0	0	0	0		
9	2017/06/21	"Wealth transfer tax"	276	39	20	1	1	1		
10	2017/06/21	"Capital tax"	25 013	976	578	8	8	5		
TOTAL			**28 715**	**2 217**	**992**	**28**	**28**	**12**	**4**	**3**
Emerald insight										
11	2017/06/21	"Wealth tax"	9 951	96	24	13	13	8		
12	2017/06/21	"Wealth tax implementation"	5 594	0	0	0	0	0		
13	2017/06/21	"Wealth tax abolishment"	849	0	0	0	0	0		
14	2017/06/21	"Wealth transfer tax"	4 563	2	2	1	2	0		
15	2017/06/21	"Capital tax"	21 076	74	13	1	1	1		
TOTAL			**42 033**	**172**	**39**	**15**	**15**	**9**	**9**	**9**

Addendum 2.2: Strategies to reduce hits (continues)

Search number	Date	Keywords/Search terms	Initial hits	Quotation marks	Sources	Subject	Number of pages	Accessibility /full text availability	Duplicates	Without authors
Jstor										
16	2017/06/21	"Wealth tax"	140 898	2 214	2 198	1 417	125	125		
17	2017/06/21	"Wealth tax implementation"	24 741	0	0	0	0	0		
18	2017/06/21	"Wealth tax abolishment"	485	0	0	0	0	0		
19	2017/06/21	"Wealth transfer tax"	45 783	98	98	16	16	16		
20	2017/06/21	"Capital tax"	247 463	1 525	1 505	835	125	125		
TOTAL			**459 370**	**3 837**	**3 801**	**2 268**	**266**	**266**	**250**	**183**
OVERALL SEARCH TOTALS			**540 799**	**6 687**	**5 274**	**2 654**	**485**	**424**	**397**	**329**

Addendum 2.3: Primary search results

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/22				**Search date: 2017/06/22**			
1	2008	Acemoglu D, Goslov M & Tsyvinski	Political economy of mechanisms	12	2014	Aronsson T & Sjogren T	Tax policy and present-biased preferences: paternalism under international capacity mobility.
2	2007	Adam A & Kammas P.	Tax policies in a globalized world: is it politics after all?	13	1967	Arthagnani	Budget without plan. Ii: the fiscal possibilities.
3	2000	Aizenman J	Privatization in emerging markets	14	1971	Atkinson A B	Capital taxes, the redistribution of wealth and individual savings.
4	2011	Akai N, Ogawa H & Ogawa Y.	Endogenoues choice on tax instruments in a tax competition model	15	1978	Atkinson A B	The concentration of wealth in Britain
5	2008	Alam Choudhury M & Syafri Harahap S.	Interrelation between zakat, Islamic bank and the economy: a theoretical exploration.	16	2012	Atkinson A B	The mirrlees review and the state of public economics.
6	2007	Aliyev F B	Problems of interaction between state and economy under the post-communist transition.	17	1985	Atkinson G W	Reforming or transforming the federal tax system
7	2009	Alvaredo F & Saez E	Income and wealth concentration in Spain from a historical and fiscal perspective.	18	1985	Atkinson G W	Reforming or transforming the federal tax system: (a review essay)
8	2014	Angelpoulos K, Fernandez B & Malley J R.	The distributional consequences of tax returns under capital- skill complementary.	19	2004	Auerbach A J &Bradford D F	Generalized cash-flow taxation.
9	2013	Angelpoulos K, Jiang W & Malley J R.	Tax reforms under market under market distortions in product and labour markets	20	2010	Azacics H & Gillman M	Flat tax reform: the balitics 2000-2007
10	2001	Arnold V	Asymmetric competition and co-ordination in international capital income taxation.	21	2014	Azura B T & Sansui N	The dynamics of capital structure in the presence of zakat and corporate tax
11	1999	Arnold V & Fuest C.	Fiscal competition and the efficiency of public input provision with asymmetric jurisdictions.	22	2006	Azzimonti M, De Francisco E & Krussel P	Median-over equilibria in the neoclassical growth model under aggregation

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/22				Search date: 2017/06/22			
23	2014	Bach S, Beznoska M & Steiner V	A wealth tax on the rich to bring down public debt? Revenue and distributional effects of capital levy in Germany	35	1979	Bentick B L	The impact of taxation and valuation practices on the timing and efficiency of land use
24	1972	Bagchi A	Dissecting the tax structure: rejoinder	36	2015	Berdiev A N, Pasquesi-Hill C & Saunouris J W	Exploring the dynamics of the shadow economy across us states
25	1964	Balogh T	A note on wealth tax	37	1991	Bird R M	The taxation of personal wealth in international perspective
26	1974	Bandyopadhyay A K	Distribution of urban household wealth: further comment	38	2013	Bishnu M & Wang M	Voting under temptation
27	1991	Banting K G	The politics of wealth taxes	39	2012	Bohacek R & Zubricky J	A flat tax reform in an economy with occupational choice and financial frictions
28	1995	Batolini L, Razin A, Symansky S, Burda E & Van Der Ploeg G	G-7 fiscal restructuring in the 1990s: a macroeconomic effect	40	2012	Borck, R., Caliendo, M. & Steiner, Borch R	Fiscal competition and the composition of public spending
29	1985	Basu K	India's fiscal policy: lobbies and acquiescence	41	2013	Born B, Peter A & Pfeifer J	Fiscal news and macroeconomic volatility
30	2012	Batina R G	Capital competition and social security.	42	1991	Borsch-Supan A & Stahl J	Life cycle savings and consumption constraints- theory, empirical evidence and fiscal implications
31	2000	Bayindir-Upmann T	Do monopolies justifiably fear environmental tax reforms	43	2017	Bosenberg S, Egger P & Zoller-Rydzek	Capital taxation, investment, growth and welfare
32	2013	Becker D & Rauscher M	Fiscal competion and growth when capital is imperfectly mobile.	44	2009	Bovenberg L & Xf Rensen P B	Optimal social insurance with linear income taxation
33	2012	Becker J & Runkel M	Even small trade costs restore efficiency in tax competition.	45	2010	Bretschger L	Taxes, mobile capital and economic dynamics in a globalizing world
34	2000	Bellgardt E	Housing Costs and Tenure Choice: Empirical Results from the Einkommens- und Verbrauchsstichprobe	46	2005	Bretschger L & Hettich F	Globalization and international tax competition: empirical evidence based on effective tax rates.

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/22				**Search date: 2017/06/22**			
47	2010	Breuille M L & Vigneault M	Overlapping budget constraints	59	2006	Catenaro M & Vidal J P	Implicit tax co-ordination under repeated policy interactions
48	2013	Breuille M L & Zanaj S	Mergers and fiscal federalism.	**Search date: 2017/06/23**			
49	1957	Brown E C	Mr. Kaldor on taxation and risk bearing	60	2014	Chahrour R & Svec J	Optimal capital taxation and consumer uncertainty
50	1991	Brown R D	A primer on the implementation of wealth taxes	61	2001	Chami R, Cosimano T F & Fullenkamp C	Capital trading, stock trading and the inflation tax on equity
51	1993	Bucovestky S	Factor ownership, taxes and specialization	62	2012	Chang J J & Guo J T	First-best fiscal policy with social justice
52	1991	Burbidge J B	The allocative and efficiency effects of wealth taxes	63	2016	Chao C C, Ee, M S, Laffargue J P & Yu E S H	Environmental migration and capital authority
53	1997	Burbidge J B, Depater J A, Meyers G M & Sengupta A	A coalition-formation approach to equilibrium federations and trading blocs	64	1997	Chao C-C & Eden S H Y	International capital competition and environmental standards
54	2014	Burian S & Brcak J	Relationship between capital tax rate and tax quota in Europe.	65	1994	Chari V V, Christiano L J & Kehoe P J	Optimal fiscal policy in a business cycle model
55	2011	Calonge S & Tejada O	A differential redistributive analysis of bilinear dual-income tax reforms	66	2013	Chatalova N & Evans C	Too rich to rein in? The under-utilised wealth tax base
56	1997	Carmichael C M	Public munificence for private benefit: liturgies in classical Athens	67	2011	Chen Y & Zhang Y	A note on tariff policy, increasing returns, and endogenous fluctuations
57	2012	Carvalho V M, Martin A & Ventura J	Understanding bubbly episodes	68	1994	Cheung Y L, Leung Y M & Wong K F	Small firm effect: evidence from Korean stock exchange
58	1995	Cass D	Notes on pareto improvement in incomplete financial markets.	69	2009	Chin C T & Lai C C	Physical capital taxation and labour income taxation in an endogenous growth model with new generations

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/23				**Search date: 2017/06/23**			
70	1984	Chitale M P	Financing industry and business: union budget proposal, 1984-85	82	2000	Dickshеid T	Capital income taxation, cross ownership, and the structure of public spending
71	1985	Chitale M P	Fiscal strategy left incomplete	83	1998	Diewert W E & Lawrence D A	The high costs of capital taxation in Australia
72	2008	Choudhury M A	Islam versus liberalism: contrasting epistemological inquiries	84	2004	Domeij D G & Heathcote J	On the distributional effects of reducing capital taxes
73	2007	Chryssi G	Balanced budget rules and aggregate instability: the role of consumption taxes	85	1995	Duff D G	
74	2001	Cnossen S & Bovenberg L	Fundamental tax reform in the Netherlands, international tax and public finance	86	2015	Duffany P, Rosenthal C, Rabinowitz P & Kaur A	New York state and New York city corporate tax reform
75	2013	Conesa J C & Dominigues B	Intangible investment and ramsey capital taxation	87	1990	Dugger W M	The wealth tax: a policy proposal
76	1997	Cooley T F & Ohanian L E	Postwar British economic growth and the legacy of Keynes	88	2010	Duran-Cabre J M & Esteller-More A	Tax data for wealth concentration analysis: an application to Spanish wealth tax
77	2013	Corsini L	How unemployment benefits affect individuals of different wealth classes: some evidence from Italy	89	2000	Eggert W	International repercussions of direct taxes
78	2000	Daveri F, Tabellini G, Bentolila S &Huizinga H	Unemployment, growth and taxation in industrial countries	90	2004	Eggert W, Georke L	Fiscal policy, economic integration and unemployment
79	1991	Davies J B	The distributive effects of wealth taxes	91	2004	Eggert W & Kolmar M	The taxation of financial capital under asymmetric information and the tax-competition paradox
80	1991	Davies J B & Khun P J	A dynamic model of redistribution, inheritance and inequality	92	2011	Eggertsson G B	What fiscal policy is effective at zero interest rates?
81	1994	Devereux M B & David R F L	The effects of factor taxation in a two-sector model of endogenous growth	93	2005	Eichenbaum M & Jonas D M F	Fiscal policy in the aftermath 9/11

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/23				Search date: 2017/06/23			
94	2014	Eichner T	Endogenizing leadership and tax competition: externalities and public good provision	106	2012	Feldstein M	The Mirrlees review
95	2015	Eichner T & Pethig R	A note on stable and sustainable global tax coordination with leviathan governments	107	2013	Feldstein M & Shamloo M	Tax reform, the informal economy, and bank financing of capital formation
96	2012	Eichner T & Runkel M	Interjurisdictional spillovers, decentralized policymaking, and the elasticity of capital supply	108	2012	Fernandez-De-Cordoba & Torres J L	Fiscal harmonization in the European union with public inputs
97	2012	Eichner T & Upmann T	Labour markets and capital tax competition	109	2017	Fernholz R T	The distributional effects of progressive capital taxes
98	2016	Epstein B, Mukherjee R & Ramnath S	Taxes and international risk sharing	110	2017	Findeisen S & Sachs D	Redistribution and insurance with simple tax instruments
99	2005	Erceg C J, Gust C & Guerrier L	Can long-run restrictions identify technology	111	2012	Fitzgerald V	Global capital markets, direct taxation and the redistribution of income
100	1997	Eriksson C	Is the trade-off between employment and growth?	112	2012	Floyd R H	Some long-run implications of border tax adjustments for factor taxes
101	2011	Evans C	Reflections on the Mirrlees review: an Australasian perspective	113	2005	Foundation E P W R	Burden of gold imports
102	2012	Exbrayat N, Gaign X E, Carl, Riou S, Xe &Phane	The effects of labour unions on international capital tax competition	114	2015	Fox W F, Hill B C & Murray M N	Vertical competition, horizontal competition, and mobile capital: an empirical investigation
103	2010	Farhi E	Capital taxation and ownership when markets are incomplete	115	1995	Fuest C	Interjurisdictional competition and public expenditure: is tax co-ordination counterproductive
104	2012	Farhi E, Sleet C, Werning I V, Xc & Yeltekeni S	Non-linear capital taxation without commitment	116	2000	Fuest C	The political economy of tax coordination as a bargaining game between bureaucrats and politicians
105	1995	Feldstein M	College scholarship rules and private saving	117	1999	Fuest C & Huber B	Can tax coordination work?

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/23				**Search date: 2017/06/24**			
118	2001	Fuest C & Huber B	Tax competition and tax coordination in a median voter model	129	2012	Gehrels F	Optimizing international investment and trade under golden rule conditions
119	2001	Fuest C & Riphan R T	Is the local business tax a user tax	130	1996	Gendron P P	Corporate tax analysis in a dominant firm model with sunk capital investment
Search date: 2017/06/24				131	2016	Genschel P, Lierse H & Seelkopf L	Dictators don't compete: autocracy, democracy, and tax competition
120	1989	Fullerton D & Henderson Y K	The marginal excess burden of different capital tax instruments	132	2011	Gillman M & Kejak M	Inflation, investment and growth: a money and banking approach
121	1981	Fullerton D, King A T, Shoven J B & Whalley J	Integration in the corporate tax in the united states	133	2013	Glomm G & Jung J	The timing of redistribution
122	2013	Gahramanov E & Tang X	Should we refinance unfunded social security	134	2010	Goff B	So differences in presidential economic advisors matter
123	2007	Ganelli G	Fiscal policy rules in an overlapping generations model with endogenous labour supply	135	2008	Gokan Y	Infrastructure, alternative government finance and stochastic endogenous growth
124	2010	Garcia M Xe, Teresa, Marcet A & Ventura E	Supply side interventions and redistributions	136	2010	Goldman D, Michaud P C, Lakdawalla D, Zheng Y, Gailey A & Vaynman I	The fiscal consequences of trends in population health
125	2013	Garcia-Belengeur F & Santos M S	Investment rates and the aggregate production function	137	2013	Golosov M, Troshkin M, Tsyvinski A & Weinzierl M	Preference heterogeneity and optimal capital and optimal capital income taxation
126	2010	Garcia-Milla T, Marcet A & Ventura E	Supply side interventions and redistributions	138	2009	Gomez M A	Equilibrium efficiency in the Ramsey model with utility and production externalities
127	2000	Garrett G	Capital mobility, exchange rates and fiscal policy in the global economy	139	1959	Goode R	
128	1991	Gavin W T	Price stability: introduction	140	1962	Goode R	Income, consumption and property as base of taxation

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/24				**Search date: 2017/06/24**			
141	2000	Gr Xfc, Ner H P & Heer B	Optimal flat-rate taxes on capital: a re-examination of lucas' supply side model	153	1999	Haufler A	Prospects for co-ordination of corporate taxation and the relationship between profit and wages
142	2014	Grazzini L & Petretto A	Federalism with bicameralism	154	2009	Haufler A, Klemm A & Schjederup G	Economic integration and the relationship between profit and wage taxes
143	2010	Grochulski B & Piskorski T	Risky human capital and deferred capital income taxation	155	2015	Haufler A & Lulfesmann C	Reforming an asymmetric union: on the virtues of dual tier capital taxation
144	2014	Gross T	Equilibrium capital taxation in open economies under commitment	156	1999	Haufler A & Shjelderup	Corporate taxation, profit shifting, and the efficiency of public input provision
145	2011	Gurgel A C, Paltsev S, Reilly J & Metcalf G	An analysis of us greenhouse gas cap-and-trade proposals using a forward-looking economic model	157	1999	Hautcoeur P & Sicsic P	Threat of a capital levy expected devaluation and interest rates in France during the interwar period
146	2008	Hammar H, Jager S C & Nordblom K	Attitudes towards tax levels: a multi-tax comparison	158	2014	Heijdra B J, Heijnen P & Kindermann F	Optimal pollution taxation and abatement when leisure and environmental quality are complements
147	1998	Hange U & Wellisch	The benefit of fiscal decentralization	159	2000	Heijdra B J & Ligthart J E	The dynamic macroeconomic effects of tax policy overlapping generations model
148	1997	Harrison A	Openness and growth: A time-series, cross-country analysis for developing countries	160	2002	Heijdra B J & Ligthart J E	Tax policy, the macroeconomic, and intergenerational distribution
149	2015	Hatfield J W	Federalism, taxation and economic growth	161	2008	Hilt E	When did ownership separate from control? Corporate government in the early nineteenth century
150	1994	Hatzipanayotou P	The real exchange rate under various systems of international capital taxation	162	2015	Hiraguchi R & Shibata A	Taxing capital is a good idea: the role of idiosyncratic in an old model
151	1993	Hatzipanayotou P & Michael S M	Import restrictions, capital taxes, and welfare	163	1990	Honkapohja S & Lempinen U	On government deficits and speculation
152	1997	Haufler A	Factor taxation, income distribution and capital market integration	164	1918	Hook A	A tax on capital redemption of debt

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/24				Search date: 2017/06/24			
165	1999	Horowitz I & Horowitz A R	Risky assets and the choice of tax base	178	1982	Jhavern N J	Central budget: 1982-83
166	2015	House C L & Tesar L L	Greek budget realities: no easy option	179	2016	Johannesen N	Taxing the financially integrated multinational firm
167	2015	Hubrad T P & Svec J	A model of tradeable capital tax permits	180	2001	Joulfaian D	Choosing between income tax and a wealth transfer tax
168	2017	Hur J & Lee K	Fiscal financing and the efficacy of fiscal policy in Korea: empirical assessment with comparison to the U.S. evidence	181	1991	Joulfaian D & Marlow M L	Incentives and political contributions
169	1974	Ishikawa T	Imperfection in the capital market and the institutional arrangement of inheritance	182	2016	Jjulia T, Rahman M P & Kassim S	Shariah compliance of green banking policy in Bangladesh
170	2012	Jacobs B & Schindler D	On the desirability of taxing capital income in optimal social insurance	183	1972	Junankar P N	Land ceilings as a tax on agriculture: a note
171	1974	Jakhade V M & Shetty S L	Distribution of urban household wealth in India-i: a first approximation	184	2012	Kachelein H	Local tax competition and indirect tax exportation
172	1974	Jakhade V M & Shetty S L	Distribution of urban household wealth 2014: ii	185	2014	Kachelein H	Asymmetric capital tax competition and choice of tax rate: commuting as an explanation for tax differentials
173	2013	Janeba E & Osterloh	Tax and the city- a theory of local tax competition	186	1942	Kaldor N	The income burden of capital taxes
174	1999	Janeba E & Wilson J D	Tax competition and trade protection	187	2011	Kammas P	Strategic fiscal interaction among OECD countries
175	2011	Janeba E & Wilson J D	Optimal fiscal federalism in the presence of tax competition	188	2011	Keane M P	Human capital, taxes and labour supply
176	1970	Jhavern N J	Tax exemption on personal savings	189	2002	Keen M & King J	The creation profit tax: an ace in practice
177	1975	Jhavern N J	Contingent upon the unlikely				

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/24				**Search date: 2017/06/24**			
190	2010	Kelders C & Koetthenbuerger M	Tax incentives in fiscal federalism: an integrated perspective	202	1996	Konishi H	Equilibrium in abstract political economies: with an application to a public good economy with voting
191	1991	Kessler D & Pestieau P	The taxation of wealth in the EEC: facts and trends	203	1984	Koskkela E & Kanniainen V	Changing the tax base and risk-taking
192	2011	Keuschnigg C	The design of capital income taxation: reflections on the Mirrlees	204	2005	Koskela E, Sch, Xf & Br	Optimal taxation in economies with unionized and competitive labour markets
193	1998	Khan And Ahmad M	Reform issues in tax policy and tax administration for self-reliant development [with comments]	205	1983	Kotlikoff L J	National savings and economic policy
194	1991	Khan M H, Thiesenhusen W C & Chaudhry M G	Resource mobilization from agriculture in Pakistan with comments]	206	1972	Krishnan T N	Taxation of property and net wealth in India: a note
195	1996	Killinger S	Indirect internationalization environmental externalities	207	1990	Kumaran P	In the capital market
196	2017	King J E	The literature on Piketty	208	2010	Kunze L	Capital taxation, long run growth
197	1975	King M A	Reviewed Work(s): An Annual Wealth Tax. By C. T. Sandford, J. R. M. Willis and D. J. Ironside	209	2003	Lai Y B	Interest groups, economic competition and endogenous public policy
198	1991	Kingston G	Should marginal tax rates be equalized through time?	210	2010	Lai Y B	The political economy of capital market integration and tax competition
199	1996	Kitchen H	The Ladybug and the Universe	211	2014	Lai Y B	Asymmetric tax competition in the presence of lobbying
200	2000	Knoop T A & Mathenky K J	Aggregate spillovers magnify the welfare benefits of tax reform	212	2011	Laeoque G	On income and wealth taxation in a life cycle model with extensive labour supply
201	2005	Kocherlakota N R	Zero expected wealth taxes: a Mirrlees approach to dynamic optimal taxation	213	2008	Larsen M & Pedersen P J	Pathways to early retirement in Denmark: 1984-2000

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/24				Search date: 2017/06/24			
214	1982	Lawrence C & Levy V	On sharing the gains from international trade: the political economy of oil consuming nations and oil producing nations	225	2006	Marina A, Eva De F & Krussel P	Median-voter equilibrium in the neoclassical growth model under aggregation
215	2006	La Cacheux J	Réformer la fiscalité française pour faire face à la concurrence fiscale	226	2010	Martin F M	Markov-perfect capital and labour taxes
216	2011	Lechthaler W	Firm training and capital taxation	227	2016	Masseli J J & Runkel B L	I do (sort of): tax planning strategies for same-sex couples in common-law marriage equality
217	2004	Lee K	Taxation of mobile factors as insurance under uncertainty	228	2010	Mateos-Planas X	Demographics and the politics of capital taxation in a life cycle economy
218	2012	Lee K	Why is mobile capital taxed	229	2010	Matsumuto M & Feehan J P	Capital-tax financing and scale economies in public input production
219	1984	Lindholm R W	The constitutionality of a federal net wealth: a socioeconomic analysis aimed at ending the under taxation of land	230	2016	Mattauch L, Edenhofer O, Klenert D & Benard S	Distributional effects of public investment when wealth and classes are back
220	1986	Lindholm R W	Tax reform: the broad picture	231	1995	Michael M S	Foreign capital inflow with public input production
221	2000	Liu L, Rettenmaier A J & Saving T R	Constraints on big-bang solutions: the case of intergenerational transfers	232	1995	Mcgrattan M	Criteria for public investment: comment
222	2016	Liu Y	Do government preferences matter for tax competition	233	1991	Mintz J M	The role of wealth taxation in the overall system
223	2004	Lorz O	Unemployment, social transfers and international capital mobility	234	1991	Mintz J M	The role of wealth taxation in Canada: an introduction
224	2017	Lundberg J & Walderstrom D	Wealth inequality in Sweden: what can we learn from capitalized income tax data?	235	2017	Mirhosseini S S, Mahmoudi N & Valokolaie S N P	Investing the relationship between green tax reforms and shadow economy using CGE model- a case study in Iran

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/24				**Search date: 2017/06/25**			
236	2011	Mirrlees J, Adam S, Besley T, Blundel R, Bond S, Chote R, Gamme M, Johnson P, Myles G & Poterba J	The Mirrlees review: conclusions and recommendations for reform.	247	2016	Ogawa H	When ad valorem tax prevails in international tax competition
237	2011	Monacelli T	Comment:Financial markets and unemployment	248	2016	Ogawan H, Oshiro J & Saro Y	Capital mobility-resource gains or losses? How, when and for whom
238	1965	Morgan J N, Barlow R & Brazer H E	A survey of the investment management and working behaviour among high-income individuals	249	2009	Ogawa H & Wildasin D E	Think locally, act locally: spillovers, spillbacks and efficient decentralized policymaking
239	2012	Muthitacharoen A & Zodrow G R	Revisiting the excise tax effects of the property tax	250	2005	Park H & Philippopoulos A	Dynamic fiscal policies and endogenous growth
Search date: 2017/06/25				251	2001	Perroni C & Scharf K A	timeout with politics: capital tax competition and constitutional choices
240	1995	Neary J P	Factor mobility and international trade	252	1992	Persson T & Tabellini G	The politics of 1992: fiscal policy and European integration
241	1970	Nishtar	Stock market is all smiles	253	2015	Petchey J	Environmental standards in large open economy
242	1971	Nishtar	Delayed reaction	254	2016	Peterman W B	The effect of endogenous human capital accumulation on optimal taxation
243	2015	Natuhara K	Laffer curves in japan	255	2009	Petrucci A & Phelps E S	Two-sector perspective on the effects of payroll tax cuts and their financing
244	2016	Oddou R	The effect of spillovers and congestion on the endogenous formation of jurisdictions	256	1983	Praet P	Inflation induced wealth tax in Belgium
245	2007	Ogawa H	Strategic taxation on mobile capital with spillover externality	257	2014	Profeta P, Scabrosetti S & Winer S L	Wealth transfer taxation: an empirical investigation
246	2013	Ogawa H	Further analysis on leadership in tax competition: the role of capital ownership	258	2011	Rab H & Anjun S	Financial interest causing problems of monetary transmission as evaluated by the Islamic alternative

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/25				**Search date: 2017/06/25**			
259	1981	Raman S S	Taxation of property	273	2008	Saveyn B & Proost S	Energy tax reform with vertical externalities
260	2004	Razin A, Sadka E & Swagel P	Capital taxation under majority voting with aging population	274	2001	Scharf K A	International capital tax evasion and the foreign tax credit puzzle
261	2014	Redoano M	Tax competition among European countries: does EU matter?	275	2007	Schwarz P	Does capital mobility reduce the corporate-labour tax ration
262	2011	Reis C	Entrepreneurial labour and capital taxation	276	2011	Seetanah B & Rojid S	The determinants of FDI in Mauritius: a dynamic time series investigation
263	2012	Reis C	Social discounting and incentive compatible fiscal policy	277	1966	Shoup C S	Taxes and economic development
264	2013	Reis C	Taxation without commitment	278	2017	Silva E C D	Tax competition and federal equalization schemes with decentralized leadership
265	2011	Riscado, S. M., Stančík, J. & Välilä, T	Macro-fiscal volatility and the composition of public spending	279	2016	Snudden S	Cyclical fiscal rules for oil-exporting countries
266	1989	Robinson B	Reforming the taxation of capital gains, gifts and inheritances	280	1994	Soldatos G	An analysis of the conflict between underground economy and tax evasion
267	2009	Roine J & Waldenstrom D	Wealth concentration over the path of development: Sweden, 1873-2006	281	2005	Spithiven A H G M	Distribution of income and the structure of economy and society
268	2007	Romalis J	Capital tax, trade costs, and the Irish miracle	282	2005	St, Xf & Whase S	Asymmetric capital tax competition with profit shifting
269	2009	Rosser Jr J B & Rosser M V	Post Hayekian socialism ala burczak: observations	283	1964	Stewart M	Dr. Balogh's note on wealth tax: a comment
270	2013	Saez E	Optimal progressive capital income in the infinite horizon model	284	1969	Stiglitz J E	The effects of income. Wealth and capital gains taxation on risk-taking
271	2014	Sanadaji T	The international mobility of billionaires				
272	1993	Sangunetti P J	The politics of intergovernmental transfers and local government deficits: theory and evidence				

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/25				Search date: 2017/06/25			
285	2002	Stokey N L	"Rules vs discretion" after twenty-five Year Publisheds	297	1972	Ved P G	Dissecting the tax structure: a comment
286	1998	Strick J C	The public sector in Canada: Programs, finance and policy	298	2013	Vogel L, Roeger W & Herz B	The performance of simple fiscal policy rules in monetary union
287	2012	Strulik H & Trimborn T	Laffer strikes again: dynamic scoring of capital taxes	299	2012	Watanabe S	The role of technology and non-technology shocks in business cycle
288	1976	Suleman R M	Employment, income distribution and social justice	300	2006	Wehke S	Tax competition and partial coordination
289	1973	Szakolczai G	Capital taxes, self-financing and capital transfer	301	2008	Wehke S	Fighting tax competition in the presence of unemployment: complete versus partial tax coordination
290	1967	Tanabe N	The taxation of net wealth	302	1973	Wisman J D & Sawaers L	Wealth taxation for the united states
291	1972	Thompson E A	The taxation of wealth and the wealthy	303	1997	Wrede M	Competition and federalism: the under provision of local public goods
292	1992	Thompson H	Production and trade with international capital movements and payments	304	2014	Wrede M	Agglomeration, tax competition, and fiscal equalization
293	2013	Tomasik R	Time zone-related continuity and synchronization effects on bilateral trade flows	305	2002	Xe & Raud D	Transmisiion internationale
294	2015	Traum N & Yang S C S	When does government debt crowd out investment?	306	2000	Rensen P B, Bacchetta P & Jullien B	The case for international tax co-ordination reconsidered
295	1992	Turnovsky S J	Alternative forms of government expenditure financing: a comparative welfare analysis	307	2013	Yilmaz E	Competition, taxation and economic growth
296	1967	Ved P G	Taxation and personal savings	308	2016	Zhou G	The spirit of capitalism and rational bubbles

Addendum 2.3: Primary search results (continues)

#	Year Published	Author	Title	#	Year Published	Author	Title
Search date: 2017/06/25				**Search date: 2017/06/25**			
309	2010	Zodrow G R	Capital mobility and capital tax competition	321	1995	Blatt W	The American dream in legislation: the role of popular symbols in wealth tax policy
310	2014	Zodrow G R	Interjurisdictional capitalization and the incidence of the property	322	2000	Lehner Morris	The European experience with a wealth tax: a comparative discussion
311	2014	Zubairy S	On fiscal multipliers: estimates from a medium scale dsge model	323	1985	Groenewegen P	Options for the taxation of wealth
312	2000	Shakow D & Schuldiner R	A comprehensive wealth tax	324	1980	Verbit G P	Taxing wealth: recent proposals from the united states, France and united kingdom
313	1992	Verbit G P	French tries a wealth tax	325	1980	Bale G	Taxing wealth: selecting a strategy
314	2016	Shakow D J	A wealth tax: taxing the estates of the living	326	2000	Rakowski E	Can wealth tax be justified
315	1977	Isaacs B L	Do we want a wealth tax in America	327	1997	Hermann C	Switzerland reforms for 2000
316	2006	Kaufmann J	Is an income tax a wealth tax	328	1989	Piggot J	Wealth taxation for Australia
317	1988	Maloney M A	Distributive justice: that is the wealth tax issue	329	1977	Chester C R	Inheritance and wealth taxation in a just society
318	2000	Schenk D H	Saving the income tax with a wealth tax				
319	2003	Richardson G, Davis A & Chan H K	The potential of a wealth tax for Hong Kong: a critical review and analysis				
320	2014	Plecnik J T	The new flat tax: a modest proposal for a constitutionally apportioned wealth tax				

Addendum 2.4: Inclusion and exclusion criteria

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
1	2008	Acemoglu D, Goslov M & Tsyvinski	Political economy of mechanisms	"We study the provision of dynamic incentives to self-interested politicians who control the allocation of resources in the context of the standard neoclassical growth model. Citizens discipline politicians using elections. We show that the need to provide incentives to the politician in power creates political economy distortions in the structure of production, which resemble aggregate tax distortions. We provide conditions under which the political economy distortions persist or disappear in the long run. If the politicians are as patient as the citizens, the best subgame perfect equilibrium leads to an asymptotic allocation where the aggregate distortions arising from political economy disappear. In contrast, when politicians are less patient than the citizens, political economy distortions remain asymptotically and lead to positive aggregate labour and capital taxes".		X
2	2007	Adam A & Kammas P.	Tax policies in a globalized world: is it politics after all?	"In a panel dataset of 17 OECD countries over 1970 & 2013; 1997, we provide empirical support for the joint existence of the efficiency and the compensation effects of globalization. Our regression analysis shows that higher economic integration— and the associated external risk— lead to a need for social security policies that require higher taxes. The latter take the form of larger social security contributions that are part of taxes on the immobile factors (labour). The tax burden on the relatively mobile factor (capital) is affected negatively by increased economic integration."		X
3	2000	Aizenman J	Privatization in emerging markets	"This paper shows two examples where privatization may lead to large efficiency gains by changing the menu of taxes. First, social security privatization increases the equity position of the middle class, inducing the median voter to internalize a higher fraction of the costs of high taxes on capital, thereby reducing the capital tax rate. Second, reducing the public sector involvement in import competing activities is shown to lower the public sector's benefits from protection, reducing thereby the equilibrium tariff rate. These indirect effects of privatization described in the paper are external to the privatized activity."		X
4	2011	Akai N, Ogawa H & Ogawa Y.	Endogenous choice on tax instruments in a tax competition model	"This paper analyses an endogenous choice problem with regard to tax instruments in a capital tax competition model. Using a symmetric and two-region model of tax competition, where each region is allowed to choose either a unit or an ad valorem tax, we show that selecting a unit tax as a policy instrument is the dominant strategy."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
5	2008	Alam Choudhury M & Syafri Harahap S.	Interrelation between zakat, Islamic bank and the economy: a theoretical exploration.	"The purpose of this paper is to formalize a general equilibrium circular causation relationship model in the Islamic economic framework between wealth taxes (Zakat), Islamic bank and the real economy. Design/methodology/approach – Mathematical modelling along with explanation. Findings – The integrative interrelationships can be formalized only under the assumption of unity of knowledge as derived from the foundation of oneness of the divine law (Shariah) according to the Qur'an, Prophetic traditions (Sunnah) and social discourse. Research limitations/implications – A future work would be to empirically estimate the general equilibrium model. Practical implications – A guidance to Islamic banks on the constructive utilization of Zakat fund for productive transformation in the real economy. Originality/value – A general equilibrium model guided by the episteme of oneness of the divine law at work, hence unity of knowledge at work in real problems of ethics and economics according to the Islamic worldview."		X
6	2007	Aliyev F B	Problems of interaction between state and economy under the post-communist transition.	"This paper seeks to identify the contribution Islamic political economy can make to the contemporary debate which is going on regarding deregulation and the role of the state under transition. Design/methodology/approach – A perspective of Islamic political–economic doctrine is discussed and hypothetical implications of this doctrine for post-Soviet nations are presented through analysis of existing concepts and case studies. Findings – The paper finds that Islamic political economy itself is not synonymous and based on different schools of law as well as local practices, which makes it flexible in time and applicable in different given conditions. The main finding is about placing ethics in the core of whole policy approach. Research limitations/implications – Research is more analysis-based and does not provide enough empirical data. Thus if it were based on the conceptual framework set by the paper surveys and other forms of field research, it would be helpful. Practical implications – Research comes up with the set of policy recommendations to be implemented as well as with an overall "Three "I" Model" of public policy, which revises the contemporary utilitarian approach to public policy. Originality/value – The paper proposes an alternative approach to the "state-economy dilemma". Review of related literature, on the one hand, and analysis/synthesis of the concepts on Islamic approach to addressing politico-economic problems of the post-communist transition, on the other hand, also add value."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
7	2009	Alvaredo F & Saez E	Income and wealth concentration in Spain from a historical and fiscal perspective.	“This paper presents series on top shares of income and wealth in Spain using personal income and wealth tax return statistics. Top income shares are highest in the 1930s, fall sharply during the first decade of the Franco dictatorship, then remain stable and low till the 1980s, and have increased since the mid-1990s. The top 0.01% income share in Spain estimated from income tax data is comparable to estimates for the United States and France over the period 1933 & 2013; 1971. Those findings, along with a careful analysis of all published tax statistics, suggest that income tax evasion and avoidance among top income earners in Spain was much less prevalent than previously thought. Wealth concentration has been about stable from 1982 to 2005 as surging real estate prices have benefited the middle class and compensated for a slight increase in financial wealth concentration in the 1990s. We use our wealth series and a simple model to analyse the effects of the wealth tax exemption of stocks for owners-managers introduced in 1994. We show that the reform induced substantial shifting from the taxable to tax exempt status, hence creating efficiency costs.”	I	
8	2014	Angelpoulos K, Fernandez B & Malley J R.	The distributional consequences of tax returns under capital- skill complementary.	“This paper analyses wage inequality and the welfare effects of changes in capital and labour income tax rates for different types of agents. To achieve this, we develop a model that allows for capital-skill complementarity given non-uniform distributions of asset holdings and labour skills. We find that capital tax reductions lead to the highest aggregate welfare gains but are skill-biased and thus increase inequality. However, our analysis also shows that the inequality effects of capital tax reductions are lower over the transition period compared with the long run.”		X
9	2013	Angelpoulos K, Jiang W & Malley J R.	Tax reforms under market under market distortions in product and labour markets	“Using a two-agent model comprised of capitalists and workers, this paper examines the importance of imperfect competition in product and labour markets in determining the welfare effects of tax reform. The reform considered consists of eliminating the capital tax alongside a concurrent rise in the labour tax. In contrast to the perfectly competitive model, models with product or labour market failures each result in welfare losses for the workers in the long-run. In a realistic calibration to the UK economy, combining these imperfections implies that this tax reform will be Pareto improving in the long-run. However, these welfare gains over longer time horizons come at the cost of short-run losses, which, consistent with previous research, result in welfare losses for workers post-reform.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
10	2001	Arnold V	Asymmetric competition and co-ordination in international capital income taxation.	"Complete descriptions of Cornet-Nash equilibria in a model with large and asymmetric countries and international mobile capital are given. These countries have two tax instruments at their disposal. The possibility is shown that if the more populated country exports capital, a mutually advantageous harmonization of the rates of a source-based tax on capital can only take the form of a common subsidy rate. Furthermore, the transition from Cornet-Nash equilibria involving such a tax on capital to an equilibrium based on the pure residence principle is examined with the surprising result that under the same circumstances an agreement would be accepted only if it foresees transfer payments between the two countries."		X
11	1999	Arnold V & Fuest C.	Fiscal competition and the efficiency of public input provision with asymmetric jurisdictions.	"This paper analyses the efficiency of public input provision in a model with large and asymmetric jurisdictions and international capital mobility, where governments provide local public consumption goods and public inputs. Our main result is that the efficiency of public input provision depends on the set of available tax instruments. If a lump-sum tax is the only available policy instrument, the provision of public inputs will be distorted as governments use the public input to strategically influence the interest rate in the world capital market. In contrast, if a source based capital tax is available, the distortion of public input provision vanishes. This does not imply, however, that a first best equilibrium is attained. The allocation of capital across jurisdictions is inefficient due to differing capital tax rates."		X
12	2014	Aronsson T & Sjogren T	Tax policy and present-biased preferences: paternalism under international capacity mobility.	"This paper deals with tax-policy responses to quasi-hyperbolic discounting. Earlier research on optimal paternalism typically abstracts from capital mobility. If capital is mobile between countries, it may no longer be possible for national governments to control domestic savings via capital taxation (as in a closed economy). In this paper, we take a broad perspective on public policy responses to self-control problems by showing how these responses vary (i) between closed and open economies, (ii) between small open and large open economies, and (iii) depending on whether or not both source based and residence based capital taxes can be used."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
13	1967	Arthagnani	Budget without plan. ii: the fiscal possibilities.	"The two main problems facing the economy, as discussed in the first part of this article which appeared last week, are the inflationary spiral and the stagnation in industry, both of which have become more intractable over the last year. In the circumstances, the scope for bold fiscal measures would appear to be limited. There is the danger that a heavy dose of taxes, particularly direct taxes, may impair business confidence and thereby strengthen the recessionary forces. There is also the danger that failure to step up investment may also reinforce these forces. On the other hand, deficit financing and easy money would further strain the price level. It is in this context that this article discusses the fiscal possibilities before the Finance Minister in framing the Budget for 1967-68."		X
14	1971	Atkinson A B	Capital taxes, the redistribution of wealth and individual savings.	Not available	I	
15	1978	Atkinson A B	The concentration of wealth in Britain	Not available	I	
16	2012	Atkinson A B	The Mirrlees review and the state of public economics.	"The Mirrlees Review of taxation in the United Kingdom is a landmark in the analysis of U.K. fiscal policy, and of wide interest to public finance economists around the world. This review concentrates on what we can learn from the Review about the current state of public economics and directions for future research."	I	
17	1985	Atkinson G W	Reforming or transforming the federal tax system	"Several proposals to reform the federal income tax system are under active consideration. Professor Richard W. Lindholm has proposed instead that we abolish the individual and corporate income taxes and the estate and gift taxes. To replace the lost revenue, he proposes a flat 15 per cent value-added tax and a flat 2 per cent net wealth tax. He posits five goals for successful tax reform and discusses his proposed system in terms of them. He finds his system would be simpler and less disruptive of markets than even a simplified income tax structure."		X
18	1985	Atkinson G W	Reforming or transforming the federal tax system: (a review essay)	"Abstract. Several proposals to reform the federal income tax system are under active consideration. Professor Richard W. Lindholm has proposed instead that we abolish the individual and corporate income taxes and the estate and gift taxes. To replace the lost revenue he proposes a flat 15 per cent value added tax and a flat 2 per cent net wealth tax. He posits five goals for successful tax reform and discusses his proposed system in terms of them. He finds his system would be simpler and less disruptive of markets than even a simplified income tax structure."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
19	2004	Auerbach A J &Bradford D F	Generalized cash-flow taxation.	"We show the unique form that must be taken by a tax system based entirely on realization accounting to implement a uniform capital income tax, or, equivalently, a uniform wealth tax. This system combines elements of an accrual based capital income tax and a traditional cash-flow tax, having many of the attributes of the latter while still imposing a tax burden on marginal capital income. Like the traditional cash-flow tax, this system may be integrated with a tax on labour income. We also show how such a tax can be supplemented with an optional accounting for a segregated subset of actively traded securities, subjected separately to mark-to-market taxation at the uniform capital income tax rate, to permit a fully graduated tax system applicable to labour income."		X
20	2010	Azacics H & Gillman M	Flat tax reform: the balitics 2000-2007	"The paper presents an endogenous growth economy with a representation of the tax rate system in the Baltic countries. Assuming that government spending is a given fraction of output, the paper shows how a flat tax system balanced between labour and corporate tax rates can be second best optimal. It then computes how actual Baltic tax reforms from 2000 to 2007 affect the growth rate and welfare, including transition dynamics. Comparing the actual reform effects to hypothetical tax experiments, it results that equal flat tax rates on personal and corporate income would have increased welfare in all three Baltic countries by more than the actual reforms. Experiments show that movement towards a more equal balance between labour and capital tax rates, through changing just one tax rate, achieve almost as high or higher utility gains as in actual law for all three countries."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
21	2014	Azura B T & Sansui N	The dynamics of capital structure in the presence of zakat and corporate tax	“The purpose of this paper is to determine the impact of wealth tax (zakat) and corporate tax (CT) on the firm's capital structure. The pioneering works of capital structure were introduced by Modigliani and Miller (1958). Subsequently, these studies were extended by other authors such as Elton and Gruber (1970), Miller (1977), Deangelo and Masalas (1980), Mackie-Mason (1990), Harris and Ravi (1991), Rajang and Zing ales (1995) and Booth et al. (2001). The diversity of the study covers from the advantage of CT to the cost of debt financing. The empirical evidence has also been applied to different countries with a good data access and different legal and accounting environments. However, this study is still relevant especially on the advantages of wealth tax, and the utilization of Islamic debt and equity financing to the firm's capital structure. Design/methodology/approach – The study uses the sample of Malaysian firms that are listed in the Kuala Lumpur Stock Exchange. The cross-sectional and time-series data covering 422 companies from 1996 to 2000 are compiled from the database published by the Kuala Lumpur Stock Exchange. All the sample firms are listed as a Shariah company that normally pays the wealth tax. These data, then, are used to examine the effects of several explanatory variables, i.e. wealth tax and CT, and several controlled variables on firm capital structure decisions. Findings – The results showed that, first, the significance of wealth tax is consistent with the argument that firms that pay high wealth tax should be financed with relatively more debt. Second, as the CT rate is raised, firms are subjected to lower CT rates which would lead them to utilize more debt in their capital structures. Third, a significant relationship exists between ages, size, return on assets, volatility, industry classification, tangible assets and bankruptcy with the capital structure. Originality/value – This paper viewed the tax benefits and the zakat payments in isolation. However, the tax deductions and the zakat payments are both expected to influence the capital structure decisions. The paper will study this decision and reveal the determinants that influence the capital structure decisions in general and the specific choice of payments, i.e. tax and zakat payments.”	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
22	2006	Azzimonti M, De Francisco E & Krussel P	Median-over equilibria in the neoclassical growth model under aggregation	"We study a dynamic version of Meltzer and Richard's median-voter model where agents differ in wealth. Taxes are proportional to income and are redistributed as equal lump-sum transfers. Voting occurs every period and each consumer votes for the tax that maximizes his welfare. We characterize time-consistent Markov-perfect equilibria twofold. First, restricting utility classes, we show that the economy's aggregate state is mean and median wealth. Second, we derive the median-voter's first-order condition interpreting it as a trade-off between distortions and net wealth transfers. Our method for solving the steady state relies on a polynomial expansion around the steady state."		X
23	2014	Bach S, Beznoska M & Steiner V	A wealth tax on the rich to bring down public debt? Revenue and distributional effects of capital levy in Germany	"The idea of higher wealth taxes to finance the mounting public debt in the wake of the financial crisis is gaining ground in several OECD countries. We evaluate the revenue and distributional effects of a one-time capital levy on personal net wealth that is currently on the political agenda in Germany. We use survey data from the German Socio-Economic Panel (SOEP) and estimate the net wealth distribution at the very top, based on publicly-available information about very rich Germans. Since net wealth is strongly concentrated, the capital levy could raise substantial revenue, even if relatively high personal allowances are granted. We also analyse the compliance and administrative costs of the capital levy."	I	
24	1972	Bagchi A	Dissecting the tax structure: rejoinder	Not available		X
25	1964	Balogh T	A note on wealth tax	Not available	I	
26	1974	Bandyopadhyay A K	Distribution of urban household wealth: further comment	Not available	I	
27	1991	Banting K G	The politics of wealth taxes	"While nineteenth-century conservatives feared that the advent of democratic government would lead to a major redistribution of wealth, democracy has proven relatively gentle with the wealthy. This paper analyses the politics of wealth taxes, drawing on the insights of both the public choice tradition and comparative studies of the politics of redistribution. Net wealth taxes, which exist in approximately half of the OECD nations, are found to be highly dependent on the strength of left political forces; and although wealth transfer taxes exist in most OECD nations, their abolition or erosion in several countries suggests a narrowing of their political base. The paper concludes that a political constituency in favour of increased reliance on wealth taxes in Canada cannot be taken for granted."	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
28	1995	Batolini L, Razin A, Symansky S, Burda E & Van Der Ploeg G	G-7 fiscal restructuring in the 1990s: a macroeconomic effect	"During the 1990s many countries are undertaking major fiscal restructuring, cutting expenditures and raising taxes. The objectives are varied, ranging from the need to stabilize public debts to increasing efficiency by reducing distortions. This paper assesses the macroeconomic effects of such measures in the case of the G-7 countries. It presents the policy measures already taken or currently planned, and analyses their effects, both locally and on partner countries. The general picture is one where fiscal restructuring initially leads to output losses followed by a recovery. In the longer run, the choice of instruments makes a significant difference. Those countries which rely primarily on expenditure cuts or indirect tax increases in their fiscal restructuring (the United Kingdom, France and Japan) are projected to enjoy output gains from their adjustment over the long run, while those countries relying mainly on labour and capital taxes (Italy, Germany and the USA) are-projected to suffer output losses."		X
29	1985	Basu K	India's fiscal policy: lobbies and acquiescence	"The Union Budget, 1985-86, has taken some positive steps for increasing industrial efficiency and growth. It has, however, an extremely high inflationary potential. It is also likely to worsen income distribution. This has been widely hailed as a 'bold' Budget, presumably because it gives large concessions. But that is precisely what this Budget is not because it does not require any boldness to give concessions to the rich and powerful. Where the Budget saves is in its allocation for rural employment programmes and other Plan items. This paper analyses the implications of these new fiscal policies."		X
30	2012	Batina R G	Capital competition and social security.	"The classic capital tax policy externality is studied in the presence of a social security program where both the benefits and taxes depend on wages in an overlapping generation's economy with many countries and mobile capital. We study the response and welfare implications of a coordinated capital tax rate increase across countries competing for the mobile tax base on the initial generations, the transition, and the steady state. The tax increase is initially completely capitalized, but some of the burden is shifted to labour on the transition path and in the steady state. Several new welfare effects are uncovered including an effect involving the parameters of the social security program. Sufficient conditions are provided so that all current and future generations are better off from the reform. However, social security may reduce the gain to capital tax reform."	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
31	2000	Bayindir-Upmann T	Do monopolies justifiably fear environmental tax reforms	"It is often argued that without tax-exemptions for the production sector environmental tax reforms substantially reduce profits and endanger employment. We challenge this view and investigate the consequences of both a small and a large tax reform in the case of a monopoly. We show that these suspected effects are unlikely to emerge. Rather the contrary, for a wide range of ex ante tax systems, profits and employment of non-polluting factors increase - and, in this sense, together with a positive environmental effect, a double, or even a triple dividend can often be attained. What we should, however, be concerned about is the effect of a green tax reform on the demand for environmentally harmful factors of production. When the double dividend fails, it frequently does so because the environmental dividend is lost."		X
32	2013	Becker D & Rauscher M	Fiscal competion and growth when capital is imperfectly mobile.	"Is tax competition good for economic growth? We address this question using a simple model of endogenous growth. Governments in a system of many small jurisdictions benevolently maximize the welfare of immobile residents. Quadratic (de-)installation costs limit the mobility of capital. We look at optimal taxation and long-run growth, and we analyse the effects of cost parameter variations on taxation and growth. A race to the bottom in capital tax rates is only one possibility; the relationship between capital mobility and capital tax rates is not monotonic. Growth and capital mobility are unambiguously positively related."		X
33	2012	Becker J & Runkel M	Even small trade costs restore efficiency in tax competition.	"We introduce transport cost of trade in products into the classical Zodrow and Mieszkowski (1986) model of capital tax competition. It turns out that even small levels of transport cost lead to a complete breakdown of the seminal result, the under provision of public goods. Instead, there is a symmetric equilibrium with efficient public goods provision in all jurisdictions."		X
34	2000	Bellgardt E	Housing Costs and Tenure Choice: Empirical Results from the Einkommens- und Verbrauchsstichprobe	"The paper investigates which impact housing costs have upon the tenure choice of households. In using the German "Einkommens- und Verbrauchsstichprobe 1993" a rich amount of both, individual household and dwelling data is available. By means of regression analysis hedonic rental costs and hedonic market values are estimated. The use of hedonic values guarantees the comparability of renters and owner occupiers. The cost difference between rent and user costs (determined as cost of capital, tax advantage and maintenance expenditure) could be calculated household individually. It is the variable with the strongest explanatory power in different logit models of tenure choice. Income and socio-demographic variables seem to serve as proxies for certain cost components, if the cost variable is specified less adequately."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
35	1979	Bentick B L	The impact of taxation and valuation practices on the timing and efficiency of land use	“It is generally assumed that a tax on land ownership is always neutral toward resource allocation. Where land rentals change over time it is shown that the tax is neutral only where the tax base is current income as distinct from current market value. Taxes based on current market value are shown to favour investment projects with a short gestation period and to involve significant resource costs. These costs are considerably reduced if property appraisers, in assessing current market value, interpret the "highest and best use" of a property as that use which offers the greatest current income as opposed to its future income.”		X
36	2015	Berdiev A N, Pasquesi-Hill C & Saunouris J W	Exploring the dynamics of the shadow economy across us states	“This article examines the dynamics of the shadow economy using data for 50 US states over the period 1998–2008. Using a panel VAR model, we analyse the impulse response of the shadow economy to an orthogonal shock in capital tax rates, educational attainment, union participation and gross state product. We find evidence of significant dynamics underlying the relationship between the shadow economy and its determinants. The results remain robust to alternate measures of the determinants of the shadow economy, alternate causal ordering of the variables in the system and conditioning on the level of income in each state.”		X
37	1991	Bird R M	The taxation of personal wealth in international perspective	“The revenue importance of taxes on net wealth and capital transfers is diminishing almost everywhere. In general, however, those developed countries with such taxes show no sign of abandoning them. The main exceptions are Australia and Canada, which have never had net wealth taxes and which have, like a number of developing countries, abolished death taxes. Although Canada has further emulated some developing countries by introducing a new wealth tax on corporations, only a major political change (like the election of socialist governments in France and Spain) seems likely to result in the reintroduction of direct taxes on personal wealth in this country.”	I	
38	2013	Bishnu M & Wang M	Voting under temptation	“Within the confines of linear tax and complete market, we show that the efficiency force for a negative capital tax may not be strong enough to reverse the politico-economic force for a positive redistributive taxation under temptation and self-control preferences.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
39	2012	Bohacek R & Zubricky J	A flat tax reform in an economy with occupational choice and financial frictions	"We consider fiscal competition between jurisdictions. Capital taxes are used to finance a public input and two public goods: one that benefits mobile skilled workers and one that benefits immobile unskilled workers. We derive the jurisdictions' reaction functions for different spending categories. We then estimate these reaction functions using data from German communities. Thereby we explicitly allow for a spatially lagged dependent variable and a possible spatial error dependence by applying a generalized spatial two-stage least-squares (GS2SLS) procedure. The results show that there is significant interaction between spending of neighbouring counties in Germany."		X
40	2012	Borck, R., Caliendo, M. & Steiner, Borch R	Fiscal competition and the composition of public spending	"Recent tests of both the pure and the extended life cycle hypothesis have generated inconclusive results on the life cycle behaviour of the elderly. We extend the life cycle model by introducing a constraint on the physical consumption opportunities of the elderly which, if binding, imposes a consumption trajectory declining in age. This explains much of the received evidence on the elderly's consumption and savings behaviour, in particular declining consumption, and increasing savings and wealth with increasing age. Our analysis of German data gives additional support to our theory. We finally draw the implications of the theory on the incidence of consumption and income (wealth) taxes, and on the recent (inconclusive) tests of intergenerational altruism."		X
41	2013	Born B, Peter A & Pfeifer J	Fiscal news and macroeconomic volatility	"This paper analyses the contribution of anticipated capital and labour tax shocks to business cycle volatility in an estimated New Keynesian business cycle model. While fiscal policy accounts for about 15% of output variance at business cycle frequencies, this mostly derives from anticipated government spending shocks. Tax shocks, both anticipated and unanticipated, contribute little to the fluctuations of real variables. However, anticipated capital tax shocks do explain a sizable part of inflation fluctuations, accounting for up to 12% of its variance. In line with earlier studies, news shocks in total account for about 50% of output variance. Further decomposing this news effect, we find permanent total factor productivity news shocks to be most important. When looking at the federal level instead of total government, the importance of anticipated tax and spending shocks significantly increases, suggesting that fiscal policy at the subnational level typically counteracts the effects of federal fiscal policy shocks."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
42	1991	Borsch-Supan A & Stahl J	Life cycle savings and consumption constraints-theory, empirical evidence and fiscal implications	"Recent tests of both the pure and the extended life cycle hypothesis have generated inconclusive results on the life cycle behaviour of the elderly. We extend the life cycle model by introducing a constraint on the physical consumption opportunities of the elderly which, if binding, imposes a consumption trajectory declining in age. This explains much of the received evidence on the elderly's consumption and savings behaviour, in particular declining consumption, and increasing savings and wealth with increasing age. Our analysis of German data gives additional support to our theory. We finally draw the implications of the theory on the incidence of consumption and income (wealth) taxes, and on the recent (inconclusive) tests of intergenerational altruism."		X
43	2017	Bosenberg S, Egger P & Zoller-Rydzek	Capital taxation, investment, growth and welfare	"This paper formulates a model of economic growth to study the effects of broad capital taxation (of profits, dividends, and capital gains) on macroeconomic outcomes in small open economies. A framework of exogenous growth permits modelling countries in transition to a country-specific steady state and to discern steady-state and transitory effects of shocks on economic outcomes. The chosen framework is amenable to structural estimation and, in view of the parsimony of the model, fits data on 79 countries over the period 1996–2011 well. The counterfactual analysis based on the estimated model suggests that capital-tax reductions induce positive effects on output and the capital stock (per unit of effective labour) that are economically significant and are accommodated within time windows of 5 years without much further economic response after that. The responses of economic aggregates are found to be relatively strongest to changes in corporate-profit-tax rates and weaker for dividend and capital-gains taxes. "	I	
44	2009	Bovenberg L & Xf Rensen P B	Optimal social insurance with linear income taxation	"We study optimal social insurance aimed at insuring disability risk in the presence of linear income taxation. Optimal disability insurance benefits rise with previous earnings. Optimal insurance is incomplete even though disability risks are exogenous and verifiable so that moral hazard in disability insurance is absent. Imperfect insurance is optimal because it encourages workers to insure themselves against disability by working and saving more, thereby alleviating the distortionary impact of the redistributive income tax on labour supply and savings."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
45	2010	Bretschger L	Taxes, mobile capital and economic dynamics in a globalizing world	"This contribution provides evidence for the hypothesis that trade increases growth through its curbing effect on capital taxes. The analysed trade-growth channel includes a negative impact of openness on corporate taxes and a negative effect of taxes on growth. The paper explores the two steps theoretically and empirically, taking into account the different theories and estimation problems involved. Simultaneous estimations with panel data for a sample of 12 OECD countries in the period 1965-1999 confirm a significant and robust impact of trade on growth through corporate taxes."	I	
46	2005	Bretschger L & Hettich F	Globalization and international tax competition: empirical evidence based on effective tax rates.	"Previous work showing a positive impact of globalization on capital tax revenue as a percent of GDP claims to contradict theoretical results that tax competition pressures governments to reduce taxes on highly mobile assets. However, the observed relationship is not necessarily incompatible with the predictions of tax competition literature, as the internationalization of markets also affects the capital tax base. Measuring taxes by effective tax rates instead of tax revenue for a panel of 12 OECD countries in the period 1967-96, we find that globalization has a negative impact on capital taxes, which is exactly what the theory predicts."		X
47	2010	Breuille M L & Vigneault M	Overlapping budget constraints	"Our paper identifies a potential problem with decentralization at a time when its virtues are widely extolled. We show that responsibility for equalization at multi-levels within a decentralized federation creates an overlapping equalization policy that can worsen fiscal discipline. Contrary to Qian and Roland (1998), we also show in our set-up that fiscal competition among regional rescuers does not act as a commitment device to harden the local budget constraint."		X
48	2013	Breuille M L & Zanaj S	Mergers and fiscal federalism.	"We analyse how the merger of regions affects capital tax competition in a two-tier territorial organization where both regions and cities share the same mobile tax base. We identify three effects generated by the merger of regions that impact, either directly or indirectly, both regional and local tax choices: i) an alleviation of tax competition at the regional level, ii) a scale effect in the provision of regional public goods, and iii) a larger internalization of vertical tax externalities generated by cities. We show that the merger of regions always increases regional tax rates while decreasing local tax rates. These results are robust to a change in the timing of the game."		X
49	1957	Brown E C	Mr. Kaldor on taxation and risk bearing	Not available	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
50	1991	Brown R D	A primer on the implementation of wealth taxes	"A net wealth tax for Canada is an intriguing but complex possibility. When most wealth took the form of immovable property, and tax administration was less sophisticated, net wealth taxes appealed to administrators because of the visibility of the tax base. This advantage has now largely disappeared. The introduction of a net wealth tax would require us to overcome a host of relatively intractable problems, and its implementation would carry with it substantial costs, uncertainties, and complexities for tax collectors and taxpayers alike."	I	
51	1993	Bucovestky S	Factor ownership, taxes and specialization	"This paper examines the incentives of regions to levy source-based capital taxes, when the tax revenue is not needed to finance the regional public sector. It is assumed that capital is completely mobile among regions, but that labour is completely immobile. Since each region can produce the same two tradable goods, using the same technology, then differences in tax rates on capital will lead to some specialization. If residents of one region own more of the nation's capital (per person), then these tax differences may be an equilibrium phenomenon. Regions with below-average capital endowment per person will levy capital taxes to lower the cost of the capital they import, even though these taxes lead to capital flight, and specialization in the labour-intensive good."		X
52	1991	Burbidge J B	The allocative and efficiency effects of wealth taxes	"While economists have analysed consumption, income and (impersonal) real property taxation, relatively little research has been conducted on the effects of a personal net wealth tax or capital levies or capital transfer taxation, all of which are the subject of this paper. The conventional wisdom is that an annual net wealth tax would score highly on equity grounds but poorly on the criteria of efficiency and administrative feasibility. This paper sorts out some of the models of the allocative and efficiency effects of wealth taxation and concludes that strong positions on the effects of wealth taxation are untenable."	I	
53	1997	Burbidge J B, Depater J A, Meyers G M & Sengupta A	A coalition-formation approach to equilibrium federations and trading blocs	"We develop a model in which states may choose to form coalitions to capture efficiency gains from policy coordination. Joining a coalition entails setting the policy variable to maximize the coalition's aggregate payoff at a Nash equilibrium against non-members, and to commit to a transfer scheme to share the gains. With two states, the unique equilibrium structure is complete federation; with more than two states, incomplete federation can be the unique equilibrium. Interpreting this result in terms of customs unions, the trend to trading-bloc formation may be equilibrium behaviour even with cooperation and transfers within customs unions."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
54	2014	Burian S & Brcak J	Relationship between capital tax rate and tax quota in Europe.	Not available		X
55	2011	Calonge S & Tejada O	A differential redistributive analysis of bilinear dual-income tax reforms	"We analyse differential redistributive effects of bilinear tax reforms that are applied to dual income taxes or, more generally, to two different one-dimensional taxes. To do so we analyse the one-dimensional income tax case, and then we introduce a partial order, based on the Lorenz dominance criterion, which induces a lattice structure within the set of bilinear tax reforms whenever certain conditions on the tax reform policies and the dual income distribution hold. We illustrate this result empirically in the case of the Spanish dual personal income tax. We also analyse voting preferences and revenue elasticities, and we discuss the robustness of our theoretical predictions when some assumptions of the model are weakened."		X
56	1997	Carmichael C M	Public munificence for private benefit: liturgies in classical Athens	"Liturgies or public services became less efficient as a source of state revenue in Classical Athens over the democratic period. This is illustrated in a model in which each citizen, knowing his own wealth and the probability distribution of the visible wealth of others, can engage in costly wealth concealment to improve his chances of avoiding a liturgy. Relative to a wealth tax, liturgies are efficient as long as their performers can acquire sufficient private benefits through public munificence. The observed decline in these benefits over the democratic period reduced or eliminated this relative efficiency."		X
57	2012	Carvalho V M, Martin A & Ventura J	Understanding bubbly episodes	Not available		X
58	1995	Cass D	Notes on pareto improvement in incomplete financial markets.	"Hose notes describe some recent developments in the analysis of the possibilities for Pareto improvement when, in a competitive environment, financial markets are incomplete. The basic framework is a general methodology for investigating the welfare effects of policy or institutional changes in equilibrium models, when these can be characterized in terms of perturbing the solutions to a system, of smooth equations. Two particular scenarios are discussed in detail: First, the situation where a central government can intervene in the form of wealth taxes and subsidies, and second, the situation where the financial institutions can be modified by increasing the number of available instruments."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
59	2006	Catenaro M & Vidal J P	Implicit tax co-ordination under repeated policy interactions	"In the context of a stylised game theoretical framework of capital tax competition, we show that when repeated policy interactions are associated to a systematic punishment of the deviating policymaker, a co-ordinated outcome can be the solution to the non-co-operative tax game. This result suggests that explicit forms of policy co-ordination, such as a centralised tax authority, could in fact be largely unnecessary."		X
60	2014	Chahrour R & Svec J	Optimal capital taxation and consumer uncertainty	"This paper analyses the impact of consumer uncertainty on optimal fiscal policy in a model with capital. The consumers lack confidence about the probability model that characterizes the stochastic environment and so apply a max-min operator to their optimization problem. An altruistic fiscal authority does not face this Knighting uncertainty. We show analytically that, in responding to consumer uncertainty, the government no longer sets the expected capital tax rate exactly equal to zero, as is the case in the full-confidence benchmark model. Rather, our numerical results indicate that the government chooses to subsidize capital income, albeit at a modest rate. We also show that the government responds to consumer uncertainty by smoothing the labour tax across states and by making the labour tax persistent."		X
61	2001	Chami R, Cosimano T F & Fullenkamp C	Capital trading, stock trading and the inflation tax on equity	"A market for used capital goods, or financial instruments that represent the ownership of the used capital goods, induces inflation taxes on wealth and on the nominal income flows that they provide. This paper explicitly introduces trading in either used capital goods or financial instruments into the standard stochastic growth model with money and production. These two monetary economies are equivalent. The value of the firm is equal to the firm's capital stock divided by inflation. The resulting asset-pricing conditions indicate that the effect of inflation on asset returns differs from the effects found in the literature by the addition of a significant wealth tax."		X
62	2012	Chang J J & Guo J T	First-best fiscal policy with social justice	"This paper examines the first-best fiscal policy in a stochastic, infinite-horizon representative agent model that exhibits consumption-enhanced as well as wealth-enhanced social status in the household utility. We show that the first-best labour tax rate is a positive constant that is used to correct negative consumption externalities. The first-best tax rate on capital income is also positive in order to overturn agents' status-seeking capital over-accumulation. Moreover, we find that in sharp contrast to a conventional automatic stabilizer, the first-best capital tax rate moves in the opposite direction with shocks to firms' production technology, thus exacerbating the business cycle."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
63	2016	Chao C C, Ee, M S, Laffargue J P & Yu E S H	Environmental migration and capital authority	"Based on utility equalization, this paper considers a developing economy with labour migration. Pollution and capital taxes are imposed on producers in the polluted sector. The optimal policy combinations of capital taxes and pollution taxes for the host economy are examined. A zero-capital tax is required for increasing mobility of capital to raise real GDP, while a larger than Pigovian pollution tax is needed for enhancing environmental amenities. The impacts on those two optimal tax rates are examined theoretically and numerically if foreign countries adopt higher environmental standard."		X
64	1997	Chao C-C & Eden S H Y	International capital competition and environmental standards	"This paper examines the welfare effects of capital taxation and environmental standards with and without a government spending constraint or international tax credits. This analysis delineates the intricate linkages of the two policy measures to both private income and government welfare. Loosening environmental control leads to more capital tax revenue for the government. The optimal capital tax rate may be of any sign, depending upon the ranking of the weights of government objectives and private utility. The same criterion also applies in determining how stringent the optimal environmental standards should be."		X
65	1994	Chari V V, Christiano L J & Kehoe P J	Optimal fiscal policy in a business cycle model	"This paper develops the quantitative implications of optimal fiscal policy in a business cycle model. In a stationary equilibrium, the ex-ante tax rate on capital income is approximately zero. There is an equivalence class of ex post capital income tax rates and bond policies that support a given allocation. Within this class, the optimal ex post capital tax rates can range from close to independently and identically distributed to close to a random walk. The tax rate on labour income fluctuates very little and inherits the persistence properties of the exogenous shocks; thus there is no presumption that optimal labour tax rates follow a random walk. Most of the welfare gains realized by switching from a tax system like that of the United States to the Ramsey system come from an initial period of high taxation on capital income."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
66	2013	Chatalova N & Evans C	Too rich to rein in? The under-utilised wealth tax base	"Taxes on wealth have never been as popular or widespread as taxes on the other two major tax bases - income and expenditure. Virtually every country around the world uses income taxes and most also use expenditure taxes. These two tax bases account for the vast majority of tax revenue for most countries. On the other hand, wealth taxes, where they do exist, account for relatively small amounts of total tax revenue. This article considers the use - or more often the under-use - of wealth taxes in developed and developing countries. It includes a discussion of different forms of wealth taxation together with the theoretical underpinnings and the practical problems that can arise when such taxes are implemented. Trends in different types of jurisdiction are analysed and both country-specific and more universal wealth tax policy changes are identified. Finally, some thoughts on the likely future policy directions in wealth taxation are presented."	I	
67	2011	Chen Y & Zhang Y	A note on tariff policy, increasing returns, and endogenous fluctuations	"We show that the introduction of a constant tariff or subsidy levied on foreign energy can lead to a rich set of endogenous fluctuations around the unique steady state, including stable 2-, 4-, 8-, and 15-cycles, quasiperiodic orbits, and chaos. This is demonstrated in a standard neoclassical growth model with social increasing returns to scale. Numerical exercises could be viewed from a methodological perspective as illustrating that capital income taxes and tariffs are equivalent in generating endogenous fluctuations because Guo and Lansing [Guo, J.T. and K.J. Lansing (2002) Fiscal policy, increasing returns and endogenous fluctuations. Macroeconomic Dynamics 6, 633-664] show that a constant capital tax or subsidy has the same effect on the model dynamics in a one-sector closed economy."		X
68	1994	Cheung Y L, Leung Y M & Wong K F	Small firm effect: evidence from Korean stock exchange	"The objective of the paper is to examine the small firm and earnings' yield effects on the Korean stock returns during 1982-1988. We find that smaller (or high E/P ratio) firms obtain higher risk-adjusted returns, on average, than larger (or low E/P ratio) firms. We also document that the existence of January effect in Korean stock returns. Unlike the findings for the US market, stock returns of small and as well as large Korean firms are found to be 2 or 3 times higher in January than the other months. However, the well-known tax-loss-selling hypothesis cannot be used to explain these anomalies because there are no capital tax or loss offsets in Korea."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
69	2009	Chin C T & Lai C C	Physical capital taxation and labour income taxation in an endogenous growth model with new generations	"This paper examines the growth and welfare effects of physical capital taxation and labour income taxation. It is found that the impact of a rise in the physical capital tax rate on the balanced growth rate is crucially related to the birth rate, but a rise in the labour income tax rate definitely reduces the balanced growth rate regardless of the birth rate. It is also found that an increase in the physical capital income tax rate will harm the older but will benefit the younger, while an increase in the labour income tax rate will benefit the older but will harm the younger."		X
70	1984	Chitale M P	Financing industry and business: union budget proposal, 1984-85	"It is necessary to recognise the importance of adequate risk capital right from the setting up of new ventures. The policy of financial institutions and banks providing resources by way of loans even when the risk capital at stake is meagre is wrong. If the provision of risk capital is adequate to start with, it automatically enables an industrial unit to obtain loans or additional funds when the business gets exposed to hazards associated with the running of industrial ventures. Under the present fiscal dispensation difficulties in securing risk capital are, however, acute. Even for established small and medium companies it is not at all easy to attract risk capital. The government, therefore, needs to pay serious attention to the problems of gathering risk capital for industry and from that standpoint review the whole structure of corporate taxation."		X
71	1985	Chitale M P	Fiscal strategy left incomplete	"Government, it is clear from the 1985-86 Budget, has declared its inability to reduce normal recurring expenditure and a regime of high revenue deficits has, therefore, come to stay. As there is no likelihood of growth of revenue from direct taxes, the only possibilities left are improvement in working of public sector undertakings and growth of indirect tax revenues. But unless the structure of indirect taxes is reformed, the cascading effect leading to increases in costs and prices is unavoidable. The general rate of profitability in the private sector is low and returns on borrowed funds are considerably higher than those on owned funds and they may shrink further because of more competitive conditions that may be created following the changes in industrial policy and in direct taxes. Unless, therefore, prices of industrial products move up or, in other words, there is inflation, the incidence of industrial sickness will grow. Achieving growth with relative stability will become a progressively unrealistic objective. If reduction in costs and prices can be brought about only through upgradation of technology and innovation and reducing wastage in the use of manpower and other resources, it will be fruitful to address ourselves more seriously to these tasks."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
72	2008	Choudhury M A	Islam versus liberalism: contrasting epistemological inquiries	"Purpose – To address the much heated debate now raging in the international scene, namely between Islam and the West as two great civilization forces of mankind. Design/methodology/approach – The objective is achieved by studying it in the light of rigorous analysis involving the world-systems of the two paradigms and by subjecting the analysis to mathematical investigation as necessary. Findings – Some specific issues, such as epistemology and the associated phenomenological model, its application for economy, markets, money and globalization are investigated to establish the arguments of the paper. Research limitations/implications – If research is reported on in the paper this section must be completed and should include suggestions for future research and any identified limitations in the research process. Practical implications – Some practical implications arising from the theoretical basis of the paper are shown in the areas of money and real economy, globalization and the economy. Originality/value – Such a contrasting scientific argumentation between Islam and neoliberalism as the contrasting paradigms has not been undertaken in any paper that I know of. Thus, this is an original paper in argumentation rather than polemics."		X
73	2007	Chryssi G	Balanced budget rules and aggregate instability: the role of consumption taxes	"It is known that in a real business cycle model with constant returns to scale and a balanced budget fiscal policy rule, steady state indeterminacy may arise due to endogenous labour income tax rates. This article shows that when the government finances its expenditures via an endogenous consumption tax instead, a steady state is always saddle-path stable. Consequently, combining income taxes with consumption taxes makes the ranges of indeterminacy shrink, thus reducing the possibility of aggregate instability. From a policy perspective, the results provide an additional argument in favour of consumption taxes in place of capital taxes."		X
74	2001	Cnossen S & Bovenberg L	Fundamental tax reform in the Netherlands, international tax and public finance	"The Netherlands has abolished the tax on actual personal capital income and has replaced it by a presumptive capital income tax, which is in fact a net wealth tax. This paper contrasts this wealth tax with a conventional realization-based capital gains tax, a retrospective capital gains tax with interest on the deferred tax, and a mark-to-market tax which taxes capital gains as they accrue. We conclude that the effective and neutral taxation of capital income can best be ensured through a combination of (a) a mark-to-market tax to capture the returns on easy-to-value financial products, and (b) a capital gains tax with interest to tax the returns on hard-to-value real estate and small businesses."	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
75	2013	Conesa J C & Dominigues B	Intangible investment and ramsey capital taxation	“The standard analysis of optimal fiscal policy aggregates different types of assets into a unique capital good and all types of capital taxes into a unique capital tax. This paper considers a disaggregated framework: an economy with corporate and dividend taxes, where firms invest in both tangible and intangible assets (which can be expensed or sweat). In our setup, firms can always respond to changes in the timing of taxation. We find that the optimal long-run policy features zero corporate taxes and positive dividend taxes, with labour and dividend taxes being identical. Moreover, the initial capital levy is relatively small”		X
76	1997	Cooley T F & Ohanian L E	Postwar British economic growth and the legacy of Keynes	“The policies used by Britain to finance World War II represented a dramatic departure from the policies used to finance earlier wars and were very different from the policies used by the united states during the war. Following Keynes's recommendations, Britain taxed capital income at a much higher rate than the United States during the war and for much of the Postwar period. We analyse quantitatively the policies designed by Keneys using an endogenous growth model and the neoclassical growth model. We also evaluate the implications of tax‐ smoothing policies. We find that the welfare costs of Keynes's policies were very high relative to a tax‐smoothing policy and argue that Britain's poor macroeconomic performance in the early Postwar period is a consequence of the high tax rates levied on capital income.”		X
77	2013	Corsini L	How unemployment benefits affect individuals of different wealth classes: some evidence from Italy	“Purpose – This paper investigates whether the effect of unemployment benefits (UB) on unemployment duration is the same for individuals belonging to different wealth groups. Design/methodology/approach – Using a sample of newly unemployed individuals from Italy in 2007, we perform estimations of semi-parametric and parametric Cox hazard models and finds a significant interaction between benefits and wealth. Findings – In particular, we show that the mitigating effect of benefits on liquidity constraints is less marked for individuals from richer households and therefore, for these individuals, benefits do not increase unemployment duration. Originality/value – The results also show that liquidity constraints are important in determining unemployment duration and that wealth has an important role in the actual effect of UB.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
78	2000	Daveri F, Tabellini G, Bentolila S &Huizinga H	Unemployment, growth and taxation in industrial countries	"To the layman, the upward trend in European unemployment is related to the slowdown of economic growth. We argue that the layman's view is correct. The increase in European unemployment and the slowdown in economic growth are related, because they stem from a common cause: an excessively rapid growth in the cost of labour. In Europe, labour costs have gone up for many reasons, but one is particularly easy to identify: higher taxes on labour. If wages are set by strong and decentralized trade unions, an increase in labour taxes is shifted onto higher real wages. This has two effects. First, it reduces labour demand, and thus creates unemployment. Secondly, as firms substitute capital for labour, the marginal product of capital falls; over long periods of time, this in turn diminishes the incentive to invest and to grow. The data strongly support this view. According to our estimates, the observed rise of 14 percentage points in labour tax rates between 1965 and 1995 in the EU could account for a rise in EU unemployment of roughly 4 percentage points, a reduction of the investment share of output of about 3 percentage points, and a growth slowdown of about 0.4 percentage points a year."		X
79	1991	Davies J B	The distributive effects of wealth taxes	"The likely distributive effects of imposing annual net worth taxes or capital transfer taxes in Canada are analysed. The conceptual basis of such an exercise is discussed. Calculations of possible short-run impacts of an annual wealth tax on income and wealth distribution are then performed. These show a moderate equalizing effect in the upper tail for income, but a small initial effect for wealth distribution. Careful design is required to avoid a regressive effect in the lower tail. A shift in tax burdens towards the old is found under all variants of wealth tax studied. The paper concludes by discussing long-run effects, not captured in the calculations."	I	
80	1991	Davies J B & Khun P J	A dynamic model of redistribution, inheritance and inequality	"Comparing steady states of an overlapping-generations economy, Becker and Tomes (1979) and Davies (1986) have noted that redistributive taxation can be desexualizing. This paper solves for the full transition path of inequality after a redistributive tax increase. We find, in contrast to the steady-state results, that redistribution `works' in the first generation under quite general conditions, even when fully anticipated by all previous generations. Further, inequality is likely to fall for several generations before approaching its new steady-state level from below."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
81	1994	Devereux M B & David R F L	The effects of factor taxation in a two-sector model of endogenous growth	"This paper examines the effects of taxation in a two-sector model of endogenous growth, based on the joint accumulation of physical and human capital. Both transitional dynamics and balanced growth paths are computed, and the response to wage taxes, capital taxes, and consumption taxes is explored. Welfare costs of alternative tax regimes are computed. The capital tax is by far the least efficient method of generating revenue. The differences between taxes with respect to their effects on long-run growth rates are relatively unimportant. The key difference between the capital tax and wage or consumption taxes lies in their different level effects on the permanent paths of output, consumption, and labour supply."		X
82	2000	Dicksheid T	Capital income taxation, cross ownership, and the structure of public spending	"This paper analyses non-cooperative provision of public consumption goods and public production factors. Contrary to previous literature, a number of situations is identified where public consumption goods are oversupplied and public production factors are undersupplied. With source and residence-based capital taxes available, cross-ownership may lead to either absolute or relative under provision of public inputs (as is intuitive) or to absolute and relative overprovision of public inputs. If only the source-based tax is available, then relative under provision of the public production factor may occur even if the public consumption good is undersupplied in absolute terms. If only the residence-based tax is available, then relative under provision of the public production factor results even in the absence of cross-ownership. This relative under provision of public production factors may or may not be increased by cross-ownership."		X
83	1998	Diewert W E & Lawrence D A	The high costs of capital taxation in Australia	Not available		X
84	2004	Domeij D G & Heathcote J	On the distributional effects of reducing capital taxes	"This article asks whether household heterogeneity and market incompleteness have quantitatively important implications for the welfare effects of tax changes. We compare a representative-agent economy to an economy in which households face idiosyncratic uninsurable income risk. The income process is consistent with empirical estimates and implies a realistic wealth distribution. We find that capital tax cuts imply large welfare gains in the representative-agent economy. However, when households are heterogeneous, substantial redistribution during transition means that only a minority will support capital tax cuts, whereas most households can expect large welfare losses."		X
85	1995	Duff D G		Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
86	2015	Duffany P, Rosenthal C, Rabinowitz P & Kaur A	New York state and new York city corporate tax reform	"The article examines salient provisions of the New York State and New York City Corporate Tax Reform Bill signed by Governor Andrew M. Cuomo on March 31, 2014. It notes that changes took effect on January 1, 2015 with a tax rate decrease from 5.9 percent to 0 percent for qualified manufacturers in New York State, and a tax rate of 6.5 to 8.85 percent for small businesses in New York City. It also cites changes on Combination and Unitary Filing Rules, Capital Tax Base, and Bank Tax."		X
87	1990	Dugger W M	The wealth tax: a policy proposal	Not available	I	
88	2010	Duran-Cabre J M & Esteller-More A	Tax data for wealth concentration analysis: an application to Spanish wealth tax	"As recent studies in different countries show, tax data offer the opportunity to estimate income or wealth shares for the upper income groups. However, several critical points must be considered in order to avoid misleading conclusions: the interpolation technique used, legal amendments, and tax fraud. In this note we take Spanish wealth tax as a case study to assess the importance of these factors, and compare our results with those obtained by Alvaredo and Saez (2009). Although the results of the two analyses are very similar, our approach complements theirs by offering a more precise treatment of the correction of fiscal underassessment and tax fraud in real estate, which is the main asset in Spaniards' portfolio."	I	
89	2000	Eggert W	International repercussions of direct taxes	"Models of capital tax competition typically assume that countries have identical per-capita endowments. This paper presents a model with endogenous capital and labour supply where countries are unequal, and shows that countries do not necessarily engage in wasteful tax competition, in the sense that public goods are underprovided. We identify situations in which public goods are overprovided depending (i) on the set of distortionary taxes available for governments and (ii) on endowment differences. Numerical simulations indicate that public goods supply is inefficient in the asymmetric Nash equilibrium, even in the presence of residence-based capital taxation."		X
90	2004	Eggert W, Georke L	Fiscal policy, economic integration and unemployment	"In this paper fiscal policy is examined for an open economy characterized by unemployment due to efficiency wages. We allow for capital and firm mobility in a model where the government chooses the level of wage, source-based capital and profit taxation. The taxing choices of governments are analysed in scenarios which differ with respect to the constraints imposed on the set of available taxes and on the mobility of firms. As a general result, the welfare loss from labour market imperfections increases when tax bases become internationally mobile, which suggests an increasing relevance of domestic labour-market reforms when tax bases become global."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
91	2004	Eggert W & Kolmar M	The taxation of financial capital under asymmetric information and the tax-competition paradox	“Information sharing between governments is examined in an optimal-taxation framework. We introduce a taxonomy of alternative systems of international capital-income taxation and characterize the choice of tax rates and information exchange. The model reproduces the conclusion found in earlier literature that integration of international capital markets may lead to the under-provision of publicly provided goods. However, in contrast to previous results in the literature, under-provision occurs due to inefficiently coordinated expectations. We show that there exists a second equilibrium with an efficient level of public-good provision as well as complete and voluntary information exchange between national tax authorities.”		X
92	2011	Eggertsson G B	What fiscal policy is effective at zero interest rates?	Not available		X
93	2005	Eichenbaum M & Jonas D M F	Fiscal policy in the aftermath 9/11	“This paper investigates the nature of U.S. fiscal policy in the aftermath of 9/11. We argue that the recent declines in the government surplus and tax rates cannot be accounted for by either the state of the U.S. economy as of 9/11 or as the typical response of fiscal policy to a large exogenous rise in military expenditures. Our evidence suggests that, had tax rates responded in the way they 'normally' do to a large fiscal shock, aggregate output would have been lower and the surplus would not have changed by much. Our results do not bear directly on the desirability of the decline in tax rates or the surplus after 9/11.”		X
94	2014	Eichner T	Endogenizing leadership and tax competition: externalities and public good provision	“This paper analyses the issue of leadership when two jurisdictions are engaged in tax competition and capital tax revenues are used to finance the provision of local public goods. For that purpose, we consider a timing game between the two asymmetric jurisdictions. On the first stage jurisdictions decide to move early or late and on the second stage they choose their tax rates. If jurisdictions differ with respect to population sizes or with respect to preferences for public goods, the Subgame perfect equilibria (SPE) are the two sequential Stackelberg outcomes. If jurisdictions differ with respect to productivities or with respect to capital endowments, the SPE are (i) the two sequential Stackelberg outcomes, (ii) the simultaneous Nash outcome at which both jurisdictions move early or (iii) the single sequential Stackelberg outcome at which the more productive or capital-poorer jurisdiction leads. The differences between the SPE (i)-(iii) are explained with the help of the externalities caused by the jurisdictions' tax rates.“		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
95	2015	Eichner T & Pethig R	A note on stable and sustainable global tax coordination with leviathan governments	"Itaya et al. (2014) study the conditions for sustainability and stability of capital tax coordination in a repeated game model with tax-revenue maximizing governments. One of their major results is that the grand tax coalition is never stable and sustainable. The purpose of this note is to prove that there are conditions under which the grand tax coalition is stable and sustainable in Itaya et al.'s model."		X
96	2012	Eichner T & Runkel M	Interjurisdictional spillovers, decentralized policymaking, and the elasticity of capital supply	Not available		X
97	2012	Eichner T & Upmann T	Labour markets and capital tax competition	"Ogawa et al. (J. Urban Econ. 60:350, 2006) analyse capital tax competition in a fixed-wage approach and show that the original results of Zodrow and Mieszkowski (J. Urban Econ. 19:356, 1986) are not preserved in the presence of unemployment. In the present paper, we challenge this view and investigate capital tax competition for some arbitrary institutional setting of the labour market. We find that if the labour market is characterized by some efficient bargaining solution, the results of Zodrow and Mieszkowski (J. Urban Econ. 19:356, 1986) are preserved."		X
98	2016	Epstein B, Mukherjee R & Ramnath S	Taxes and international risk sharing	"We extend a standard model of international risk sharing to include an empirically plausible distortion: Taxes. The tax-inclusive theory implies, even under full risk sharing, a predictable relationship between consumption growth and the consumption and capital income tax rates, both within and across countries. We find strong empirical evidence in favour of this relationship. While idiosyncratic output fluctuations account for substantially more of cross-country consumption growth variability than do taxes, trends in tax differentials are found to be informative about the dynamic evolution of international risk sharing. In particular, adjusting for capital taxes reveals a marked improvement in risk sharing over the last three decades that is absent in baseline measures. This improvement has been driven by the convergence of average tax rates on capital income across OECD countries toward the United States average capital tax rate."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
99	2005	Erceg C J, Gust C & Guerrier L	Can long-run restrictions identify technology	"Innovative approach of imposing long-run restrictions on a vector auto regression (VAR) to identify the effects of a technology shock has become widely utilized. In this paper, we investigate its reliability through Monte Carlo simulations using calibrated business cycle models. Overall, Gal&#Xin's methodology appears to be fruitful: the impulse responses derived from the artificial data generally have the same sign and qualitative pattern as the true responses, and the approach can be informative in discriminating between alternative models. However, our results reveal some important quantitative shortcomings, including considerable estimation uncertainty about the impact of technology shocks on macroeconomic variables. More generally, the conditions under which the methodology performs well appear considerably more restrictive than implied by the key identifying assumption. This underscores the importance of using economic models to guide in the implementation of the approach, in interpreting the results, and in assessing its limitations."		X
100	1997	Eriksson C	Is the trade-off between employment and growth?	"This paper investigates how unemployment and the long-run growth rate influence each other in steady state. It builds on Pessaries but Ramsey preferences are introduced, influencing the interest rate. A central finding is that there is a trade-off between successful growth and unemployment if one considers direct changes in the growth rate, but when the changes are indirect, what is good for growth is also good for employment. Thus, to increase both growth and the employment rate, the policy implication seems to be that one should improve incentives (lower capital tax or unemployment benefits) rather than subsidize R&D incentives."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
101	2011	Evans C	Reflections on the Mirrlees review: an Australasian perspective	“This paper compares and contrasts the UK's Mirrlees Review with major tax reviews that have taken place at about the same time in Australia (the Henry Review) and New Zealand (the Tax Working Group Review). It suggests that the three countries share many cultural, social, economic and political traditions and institutions, but that this shared heritage does not necessarily extend to the realms of tax reviews and the possible roads to tax reform that the countries may tread. There are some similarities in aspects of the processes of tax review that have taken place in the three countries (though rather more differences), and all three countries also share a commitment to broadly similar principles underlying the recommendations made by each of the three reviews. But the specific proposals made by each of the reviews do not share much common ground. The differences are more apparent than any similarities that may occur, an outcome (in part at least) predicated upon the very different political, economic and fiscal imperatives prevailing in each of the three countries. The paper also suggests that it is unlikely that the three reviews will have the same long-term impact or effects upon their respective national tax systems. It may be the case, the paper contends, that there is a form of trade-off between political independence (as in the Mirrlees Review) and the direct policy impact that is more apparent in countries whose reviews had strong government backing (as was the case in New Zealand) – at least in the short term. Moreover, independent reviews (such as the Mirrlees Review) may also lead to more radical proposals, which will require a longer time maturing 'on the shelf' before they may be ripe for implementation.”		X
102	2012	Exbrayat N, Gaign X E, Carl, Riou S, Xe &Phane	The effects of labour unions on international capital tax competition	“We analyse the impact of labour market rigidities on tax competition between two imperfectly integrated countries. Following a shift from a competitive to a unionized labour market in both countries, the capital tax can be adjusted upward in the country with the less rigid labour market, whereas the capital tax is always adjusted downward in the other country. Moreover, by reducing the labour cost differential between countries, trade liberalization gives rise to tax and welfare convergences. Finally, when a country adopts a flexible labour market, the unionized country may attract the majority of capital.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
103	2010	Farhi E	Capital taxation and ownership when markets are incomplete	"This paper is a normative investigation of the properties of optimal capital taxation in the neoclassical growth model with aggregate shocks and incomplete markets. The model features a representative agent economy with linear taxes on labour and capital. I first allow the government to trade only a real risk-free bond. Optimal policy has the following features: labour taxes fluctuate very little, capital taxes are volatile and feature a positive (negative) spike after a negative (positive) shock to the government budget, and capital taxes average to roughly zero across periods. I then consider the implications of allowing the government to trade capital. © 2010 by The University of Chicago."		X
104	2012	Farhi E, Sleet C, Werning I V, Xc & Yeltekeni S	Non-linear capital taxation without commitment	"We study efficient non-linear taxation of labour and capital in a dynamic Milesian model incorporating political economy constraints. Policies are chosen sequentially over time, without commitment. Our main result is that the marginal tax on capital income is progressive, in the sense that richer agents face higher marginal tax rates."		X
105	1995	Feldstein M	College scholarship rules and private saving	"This paper examines the effect of existing college scholarship rules on the incentive to save. The analysis shows that families that are eligible for college scholarships face "education tax rates" on capital income of between 22 percent and 47 percent in addition to regular federal and state income taxes. The empirical analysis developed here, based on the 1986 Survey of Consumer Finances, implies that these high tax rates have a powerful adverse effect on the accumulation of financial assets."		X
106	2012	Feldstein M	The Mirrlees review	"The Mirrlees Review is an ambitious and comprehensive analysis of the British tax system with detailed recommendations for reform. This review essay focuses on those issues that are also likely to be of interest to an American reader. The Review has the technical sophistication that readers would expect from a team of ten economists, chaired by James Mirrlees, the distinguished theorist who received the Nobel Prize for his contributions to the theory of optimal taxation. But it is written for a broader audience, explaining concepts like deadweight loss and the elasticity of tax revenue with respect to tax rates and doing so without any mathematics."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
107	2013	Feldstein M & Shamloo M	Tax reform, the informal economy, and bank financing of capital formation	"This paper develops a model that relates businesses' entry into the underground economy to tax rates and the need to access the banking system. The model uses a dynamic approach in which both firms and banks optimize and in which the benefits to a firm of accessing the banking system are endogenous. A firm compares the return to capital with the marginal tax rate on capital income and uses the difference to determine how much of the tax to pay. At the same time, banks use a firm's capital tax payments, combined with the capital tax rate to obtain an estimate of the firm's minimum capital value. If the firm pays at least some taxes then it will have access to the banking system, which will allow it to finance investment. If the firm pays no taxes, then it cannot access the banks and cannot invest. We compare the equilibria resulting from tax compliance and tax evasion. We calibrate the model to a highly stylized version of the Russian economy, and analyse the effect of potential tax changes on the underground economy. We compute a dynamic equilibrium for our model, and note that it tracks the path of certain macroeconomic variables of the Russian economy (GDP, budget and trade balances, price level and interest rate) with some accuracy for the years 2001-2008. We are unable to track the underground economy, as this data is unobservable. We then carry out a series of counterfactual simulations, first asking if non-capital-intensive firms have an incentive to evade taxes under existing value added tax rates. We find that they do, and that the incentive would have been greatly reduced if the value added tax rate had been selectively reduced for the non-capital-intensive sectors. We then ask what the effect would be if the corporate tax rate were raised on capital intensive sectors. The simulations indicate that the capital-intensive sectors would not increase their entry into the underground economy."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
108	2012	Fernandez-De-Cordoba & Torres J L	Fiscal harmonization in the European union with public inputs	"Fiscal harmonization among the European Union member states is a goal involving major difficulties for its implementation. Each country faces a particular trade-off between fiscal revenues generated by taxation and the productive efficiency loss induced by their respective tax code. This paper provides a quantitative analysis of these trade-offs for a number of the European Union (EU-15) member states using a dynamic general equilibrium model with public inputs. Calibration of the model for the EU-15 member states provides the following results: i) the maximum tax revenue level is relatively far from the current tax levels for most countries; ii) the cases of Sweden, Denmark and Finland are anomalous, as productive efficiency can be gained by lowering tax rates without affecting fiscal revenues; iii) in general, countries would obtain efficiency gains without changing fiscal revenues by reducing the capital tax and increasing the labour tax; and iv) capital tax harmonization to the average capital tax rate can be done with quite small changes in both fiscal revenues and output for most countries."		X
109	2017	Fernholz R T	The distributional effects of progressive capital taxes	"Rising inequality since the 1980s has spurred much research examining the underlying causes and potential policy responses. Among the more controversial, One of the more controversial policy proposals is a progressive capital tax in response to rising top wealth shares around the world proposes a progressive capital tax in response to rising top wealth shares around the world. This paper introduces rank-based econometric methods for dynamic power laws as a tool for estimating the effect of progressive capital taxes on the distribution of wealth under different assumptions about the impact of these taxes on household behaviour. In most scenarios, we find that a small tax levied on 1% of households would substantially reshape the US wealth distribution and reduce inequality. © 2017 Informal UK Limited, trading as Taylor & Francis Group."	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
110	2017	Findeisen S & Sachs D	Redistribution and insurance with simple tax instruments	“We analyse optimal taxation of labour and capital income in a life cycle framework with idiosyncratic income risk and ex-ante heterogeneity. Tax instruments are simple in that they can only condition on current income. We provide a decomposition of labour income tax formulas into a redistribution and an insurance component. The latter is independent of the social welfare function and determined by the degree of income risk and risk aversion. The optimal linear capital tax is non-zero and trades off redistribution and insurance against savings distortions. Our quantitative results reveal that the insurance component contributes significantly to optimal labour income tax rates and provides a lower bound on optimal taxes. Optimal capital taxes are significant.”		X
111	2012	Fitzgerald V	Global capital markets, direct taxation and the redistribution of income	“Standard fiscal theory suggests that taxation should be heaviest on the least mobile factors of production - for both efficiency and revenue reasons. A shift in tax burdens from capital to labour as economies become globally integrated is thus justified. This theoretical tradition (founded by Ramsay and continued by Mirrlees and Lucas) assumes by construction that profit taxes reduce investment and growth; and while sensitive to inter-generational equity, sidesteps the issue of income distribution within generations. In contrast, starting from Keynes' critique of these assumptions and building on modern endogenous growth models, it can be shown that profit taxation is not necessarily injurious to productive investment. In practice, moreover, the effect of globalisation has not been to reduce tax rates on capital, but rather to erode the tax base itself (i.e. 'tax evasion'). Improved information exchange between tax authorities, which is now being driven by fiscal insolvency in developed countries, would allow tax incidence to be shifted so as to improve income distribution within OECD countries. Such cooperation could also permit the replacement of the current discretionary system of fiscal transfers from rich to poor countries (development aid) by equitable sharing of global capital tax revenue.”		X
112	2012	Floyd R H	Some long-run implications of border tax adjustments for factor taxes	“The model, 558.--Product taxes, 563.--Capital taxes, 565.--Imposition of capital taxes, 566.--Application of BTA's to capital taxes, 568.--Adjustments to the earnings of capital, 574.--Conclusions, 577.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
113	2005	Foundation E P W R	Burden of gold imports	“The volume of gold imports has touched Rs 46,000 crore, most of it for household consumption (jewellery and investment). Thus, over 1.5 per cent of GDP is being diverted into this unproductive holding of assets, at a time when the economy's domestic saving and investment rates have remained effectively stuck at around 23 to 34 per cent of GDP. It should be possible to restrain gold imports, with a combination of policies that is consistent with an environment of policy reforms. A sizeable increase in import duty and imposition of wealth tax seem to be the obvious candidates. The weaning away of people from gold to financial assets, while it is the answer in the long run, can only be a gradual process. A healthy capital market with vigorous regulations curbing unhealthy practices may go a long way.”		X
114	2015	Fox W F, Hill B C & Murray M N	Vertical competition, horizontal competition, and mobile capital: an empirical investigation	“American states and localities levy several taxes on business capital. Vertical tax competition arises as a state and its local governments tax a common base, while horizontal competition takes place across states, local governments in different states, and between local governments in one state and other states. Our application is unique in focusing on multiple federations and allowance for both intrafederation and interfederation competition. We find negative vertical reaction functions for states and localities indicating that capital tax rates are strategic substitutes. Local tax rates, on the other hand, react positively to other-state tax rates and to the rates of localities elsewhere. State rates are not affected by the rates of localities in other states, but they do react positively to the rates of neighbouring states. We find evidence that states behave as Stackelberg leaders in the setting of capital taxes.”		X
115	1995	Fuest C	Interjurisdictional competition and public expenditure: is tax co-ordination counterproductive	“According to a well-established result in the theory of tax competition, co-ordinated capital tax increases among benevolent governments are welfare enhancing for a union of small jurisdictions with an integrated capital market, where the capital stock is fixed for the economy as a whole. This hypothesis emerges from a theoretical framework where publicly provided goods are assumed to have no influence on the allocation of mobile factors of production. This paper argues that the role of public expenditure in interjurisdictional competition deserves more detailed analysis. In a model of interjurisdictional competition with a publicly provided factor of production, the welfare effect of co-ordinated tax increases is shown to be ambiguous.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
116	2000	Fuest C	The political economy of tax coordination as a bargaining game between bureaucrats and politicians	“In the public finance literature, the view prevails that tax competition among countries gives rise to an under provision of public goods and that coordinated tax increases are therefore desirable. Public choice arguments, in contrast, suggest that tax coordination may not be in the interest of the taxpayers/citizens because imperfections of the political process (political distortions) may lead to a waste of tax money. According to this view, tax competition is a desirable check on the power to tax whereas tax coordination would only relax the budget constraint of an inefficient public sector. The present paper integrates the under provision argument and the public choice view into a common theoretical framework. The government is assumed to consist of politicians and bureaucrats with diverging interests. Fiscal policy is modelled as the outcome of a bargaining game between the bureaucrats and the politicians. It turns out that coordinated tax increases always raise the provision of public goods but also increase the cost of political distortions. The effect on the welfare of the representative citizen may be positive of negative, depending in particular on the distribution of bargaining power between bureaucrats and politicians.”		X
117	1999	Fuest C & Huber B	Can tax coordination work?	“A large part of the literature on tax competition argues that capital tends to be undertaxed if there is no international coordination of tax policies. This result constitutes an important theoretical basis for practical tax policy in particular in the EU, where minimum tax rates have been proposed for corporate taxation and withholding taxes on interest income. This paper shows that coordination arrangements of the type currently discussed in the EU face the problem that national governments have incentives to neutralise coordinated tax increases or minimum rates by adjusting tax instruments not covered by the agreement. Capital tax coordination will therefore only be effective if it takes into account the interaction between all available tax instruments that affect the cost of capital.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
118	2001	Fuest C & Huber B	Tax competition and tax coordination in a median voter model	"This paper analyses the welfare effects of capital tax coordination in a simple model of fiscal competition where fiscal policy is subject to majority voting and households differ with respect to their labour and capital income. It turns out that a coordinated capital tax increase may raise or reduce welfare, depending on the relative magnitude of i) economic distortions induced by a labour tax and ii) political distortions resulting from the influence of the median voter on fiscal policy decisions. A negative welfare effect is more likely, the smaller the marginal excess burden of the labour tax and the smaller the ratio of the median voter's labour income to average labour income. We also use empirical estimates of the marginal excess burden of taxation to determine the welfare effects of tax coordination; it turns out that a negative welfare effect of coordinated tax increases may emerge in our model for empirically reasonable parameters."		X
119	2001	Fuest C & Riphan R T	Is the local business tax a user tax	"The theory of fiscal federalism argues that local governments should only tax mobile tax bases for the purpose of charging user taxes which correct for congestion effects. Empirically, we observe that local governments do levy taxes on mobile bases. In Germany, this is the local business tax (Gewerbesteuer). Since such taxes are efficient only if they are raised to cover congestion effects, the justification for these taxes usually put forward is that they serve as user taxes. This paper tests empirically whether that justification holds for the case of German local business taxes. Our findings do not support the user tax argument. Instead, our results suggest that local governments use the local business tax as a source of revenue for general public expenditures. Our empirical analysis finds statistically significant positive effects of changes in expenditures for social assistance and interest payments on subsequent tax rate changes. Our results are thus consistent with the view prevailing in the literature according to which local business tax rates are set in response to general financial pressure in local government budgets."		X
120	1989	Fullerton D & Henderson Y K	The marginal excess burden of different capital tax instruments	'Others have measured the addition to deadweight loss from an increase in an effective capital income tax rate, but there is no single way to raise such a rate. In our general equilibrium model with multiple distortions in the allocation of real resources, we find that an increase in the statutory corporate income tax rate has the highest marginal excess burden, because it distorts intersectional and interasset decisions as well as intertemporal decisions. An investment tax credit reduction has negative marginal excess burden because it raises revenue while reducing interasset distortions more than it increases intertemporal distortions."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
121	1981	Fullerton D, King A T, Shoven J B & Whalley J	Integration in the corporate tax in the united states	Not available		X
122	2013	Gahramanov E & Tang X	Should we refinance unfunded social security	“Within a continuous-time overlapping generations model, featuring endogenous intensive margin of the labour supply and retirement decision, we analyse the issue of passing the burden of payroll revenues onto consumption or capital. We find that large long-run welfare gains occur when pension benefits are refinanced by consumption taxes. However, the transition to the new steady state is very painful for a large fraction of existing cohorts. On the other hand, the capital base is too small to sustain pension benefits but could be made larger if capital taxes are raised. Yet that would entail significant welfare losses.”		X
123	2007	Ganelli G	Fiscal policy rules in an overlapping generations model with endogenous labour supply	“A fiscal policy rule in which taxation is a function of the stock of government debt (a 'wealth tax') is usually believed to be effective in providing stability. Using a discrete-time version of the Blanchard (1985, Debt, deficits and finite horizons. Journal of Political Economy 93, 223-247) overlapping generations model extended to include an endogenous labour supply, we show that, contrary to the conventional wisdom, a wealth tax might not be enough to ensure the existence of a unique, well-defined steady state. We suggest that a government willing to run a positive and sustainable level of debt could use an alternative rule (a 'fiscal Taylor rule'), in which another taxation component, that takes in to account the level of the real interest rate, is added. © 2006 Elsevier B.V. All rights reserved.”		X
124	2010	Garcia M Xe, Teresa, Marcet A & Ventura E	Supply side interventions and redistributions	Not available		X
125	2013	Garcia-Belengeur F & Santos M S	Investment rates and the aggregate production function	“In this paper we consider a simple version of the neoclassical growth model, and carry out an empirical analysis of the main determinants of aggregate investment across countries. The neoclassical growth model predicts that aggregate investment may be influenced by income growth, the capital income share, and the relative price of capital, taxes, and other market distortions. We check these investment patterns for both OECD and non-OECD countries. We also decompose investment data into equipment and structures, and explore major factors affecting their relative prices. These empirical exercises shed light into the shape of the neoclassical production function.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
126	2010	Garcia-Milla T, Marcet A & Ventura E	Supply side interventions and redistributions	"We evaluate the effect on welfare of shifting the burden of capital income taxes to labour taxes in a dynamic equilibrium model with heterogeneous agents and constant tax rates. We calibrate and simulate the economy; we find that lowering capital taxes has two effects: it increases efficiency in terms of aggregate production and it redistributes wealth in favour of those agents with a low wage/wealth ratio. When the parameters of the model are calibrated to match the distribution of income in terms of the wage/wealth ratio, the redistributive effect dominates, and agents with a high wage/wealth ratio would experience a large loss in utility if capital income taxes were eliminated."		X
127	2000	Garrett G	Capital mobility, exchange rates and fiscal policy in the global economy	"The central claim of Partisan Politics in the Global Economy is that social democracy continues to be both distinctive and successful in the global economy in cases where powerful left-of-centre parties are allied with strong and centralized trade union movements. Hay asks whether this means that countries without entrenched corporatist institutions must give in to global market forces by shrinking state activism. The first part of this article demonstrates that there is scant evidence that the international integration of financial markets has been associated with a reduction in fiscal activism in the OECD. This is consistent with my partisan mediation thesis. Here, however, I wish to take up Hay's challenge of analysing policy developments without recourse to my institutional typology. The second part of the article shows that fiscal policy in the OECD has been considerably more restrictive where governments have committed to fixed exchange rates. I argue that European countries have nonetheless chosen to fix their exchange rates as part of the broader regional integration project. The final part of the article suggests that the Eurozone may well not be dominated by conservative fiscal policies. The European Central Bank is unlikely to be as conservative as the Bundesbank and the political and economic incentives for fiscal prudence in the Eurozone are weaker than under the EMS."		X
128	1991	Gavin W T	Price stability: introduction	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
129	2012	Gehrels F	Optimizing international investment and trade under golden rule conditions	"In a two-country, two-factor world, each is assumed to choose a golden rule path, but these paths differ because of divergent growth rates for labour (in efficiency units). In order to maintain these, it becomes necessary to impose a tax on the return to foreign-owned capital equal to the difference between the lower foreign rate and the higher home rate of the capital-importing country. It is also necessary to prevent undercutting of this difference in capital returns via adjustment of domestic production, as in the HOLS theorem. This is done by means of a supporting tariff on trade. When foreign investment also involves the transfer of technology, the tax is accordingly reduced. It is also shown, using the calculus of variations that if and only if social planners have a discount rate on future consumption of zero does the golden rule follow."		X
130	1996	Gendron P P	Corporate tax analysis in a dominant firm model with sunk capital investment	Not available		X
131	2016	Genschel P, Lierse H & Seelkopf L	Dictators don't compete: autocracy, democracy, and tax competition	"It pays to be a tax haven. Ireland has become rich that way. Why do not all countries cut their capital taxes to get wealthy? One reason is structural. As the standard model of tax competition explains, small countries gain from competitive tax cuts while large countries suffer. Yet not all small (large) countries have low (high) capital taxes. Why? The reason, we argue, is political. While the standard model assumes governments to be democratic, more than a third of countries worldwide are non-democratic. We explain theoretically why autocracies are less likely to adjust to competitive constraints and test our argument empirically against data on the corporate tax policy of 99 countries from 1999 to 2011."		X
132	2011	Gillman M & Kejak M	Inflation, investment and growth: a money and banking approach	"Output growth, investment and the real interest rate in long-run evidence tend to be negatively affected by inflation. Theoretically, inflation acts as a human capital tax that decreases output growth and the real interest rate, but increases the investment rate, opposing evidence. This paper resolves this puzzle by requiring exchange for investment as well as consumption. Inflation then decreases the investment rate, and still decreases both output growth and real interest up to some moderately high rate of inflation, above which increasingly low investment finally causes capital to fall relative to labour, and the real interest rate to rise."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
133	2013	Glomm G & Jung J	The timing of redistribution	‘We investigate whether late redistribution programs that can be targeted toward low income families, but that may distort savings decisions, can "dominate" early redistribution programs that cannot be targeted as a result of information constraints. We use simple two-period overlapping generations models with heterogeneous agents under six policy regimes: a model calibrated to the U.S. economy (benchmark), two early redistribution (lump sum) regimes, two (targeted) late redistribution regimes, and finally a model without taxes and redistribution. Redistribution programs are financed by a labour tax on the young generation and a capital tax on the old generation. We argue that if the programs are small in size, late redistribution can dominate early redistribution in terms of welfare but not in terms of real output. Better targeting of low income households cannot completely offset savings distortions. In addition, we find that the optimal transfer and tax policy implies a capital tax of 100% and transfers exclusively to the young generation.”		X
134	2010	Goff B	So differences in presidential economic advisors matter	“Using data on members on the Council of Economic Advisors as well as US Treasury secretaries and OMB directors from 1952 through 2005, I investigate the effect of economic advisors' educational and employment backgrounds on the time series performance of several policy variables. Ivy League advisors appear to raise non-defence government spending, although the size of the impact differs by president. While voter preferences appear to matter for a wider variety of policy variables (changes in federal regulation and marginal tax rates), the share of Ivy League advisors is at least as important as voter preferences in explaining non-defence spending.”		X
135	2008	Gokan Y	Infrastructure, alternative government finance and stochastic endogenous growth	“This paper constructs a stochastic version of an endogenously growing economy with a public good that raises the productivity of private capital. We explore how growth and welfare are influenced by changes in the mean and variance of productive public spending under two alternative financing methods, mixed money-bond financing and wealth-tax financing. In addition, to evaluate the differences between money financing and bond financing, we consider mixed money-bond financing, under which a larger ratio of bonds to money is utilized to finance a given increase in public spending.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
136	2010	Goldman D, Michaud P C, Lakdawalla D, Zheng Y, Gailey A & Vaynman I	The fiscal consequences of trends in population health	"The public burden of shifting trends in population health remains uncertain. Sustained increases in obesity, diabetes, and other diseases could reduce life expectancy - with a concomitant decrease in the public sector's annuity burden - but these savings may be offset by worsening functional status which increases health care spending, reduces labour supply, and increases public assistance. Using a health microsimulation model, we quantify the competing public finance consequences of shifting trends in population health for medical care costs, labour supply, earnings, wealth, tax revenues, and government expenditures. We find that the trends in obesity and smoking have different fiscal consequences and that, because of its more profound effects on morbidity and health care expenditures, obesity represents a larger immediate risk from a fiscal perspective. Uncertainty in residual mortality improvements represents by far the largest risk."		X
137	2013	Golosov M, Troshkin M, Tsyvinski A & Weinzierl M	Preference heterogeneity and optimal capital and optimal capital income taxation	"We examine a prominent justification for capital income taxation: goods preferred by those with high ability ought to be taxed. In an environment where commodity taxes are allowed to be nonlinear functions of income and consumption, we derive an analytical expression that reveals the forces determining optimal commodity taxation. We then calibrate the model to evidence on the relationship between skills and preferences and extensively examine the quantitative case for taxes on future consumption (saving). In our baseline case of a unit intertemporal elasticity, optimal capital income tax rates are 2% on average and 4.5% on high earners. We find that the intertemporal elasticity of substitution has a substantial effect on optimal capital taxation. If the intertemporal elasticity is one-third, the optimal capital income tax rates rise to 15% on average and 23% on high earners; if the intertemporal elasticity is two, the optimal rates fall to 0.6% on average and 1.6% on high earners. Nevertheless, in all cases that we consider the welfare gains of using optimal capital taxes are small."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
138	2009	Gomez M A	Equilibrium efficiency in the ramsey model with utility and production externalities	"Purpose – The purpose of this paper is to analyse the effect of utility and production externalities on the equilibrium efficiency, and to devise tax policies capable of correcting the distortions caused by the external effects. Design/methodology/approach – The paper analyses a Ramsey-type model with utility and production externalities. It compares the decentralized equilibrium in the market economy with the optimal growth path attainable by a central planner. Findings – The paper shows the effects of utility and production externalities on competitive long-run equilibrium values. It devises optimal tax policies capable of decentralizing the optimal growth path, and shows how the leisure specification affects the optimal tax policy. Practical implications – The paper adds to the literature on optimal taxation, and provides theoretical results that may help policy makers to set the tax policy. Originality/value – The paper analyses the equilibrium efficiency in a rather general model with utility externalities, associated with both consumption and leisure, and production externalities. Equilibrium efficiency is studied under the two typical leisure specifications proposed in the literature: home production and raw time. This allows one to analyse the effect that the leisure specification has on the optimal tax policy."		X
139	1959	Goode R		Not available		X
140	1962	Goode R	Income, consumption and property as base of taxation	Not available		X
141	2000	Gr Xfc, Ner H P & Heer B	Optimal flat-rate taxes on capital: a re-examination of lucas' supply side model	"We examine the transitional dynamics of Lucas' supply side model of the US economy in order to specify the effects of capital taxation on economic growth and welfare. We restrict the analysis to policy plans characterized by constant capital taxes and require the government to maintain a balanced budget. Under these restrictions, the optimal tax rate on capital is shown to be positive and sensitive to the government expenditure rule. Welfare can be further increased by the introduction of a tax on asset holdings."		X
142	2014	Grazzini L & Petretto A	Federalism with bicameralism	"We analyse how bicameralism can affect national fiscal policies in a federal country when vertical and horizontal externalities interact. Conditions are provided to show when, at equilibrium, the two chambers agree or disagree on the choice of a national capital tax rate, depending on whether or not the pivotal voter in the two chambers is the same."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
143	2010	Grochulski B & Piskorski T	Risky human capital and deferred capital income taxation	"We study the structure of optimal wedges and capital taxes in a dynamic Mirrlees economy with endogenous distribution of skills. Human capital is a private, stochastic state variable that drives the skill process of each individual. Building on the findings of the labour literature, we construct a tractable life-cycle model of human capital evolution with risky investment and stochastic depreciation. In this setting, we demonstrate the optimality of (a) a human capital premium, i.e., an excess return on human capital relative to physical capital, (b) a large intertemporal wedge early in the life-cycle, and (c) a non-zero intratemporal wedge even at the top of the skill distribution at all dates except the last date in the life-cycle. The main implication for the structure of optimal linear capital taxes is the necessity of deferred taxation of physical capital. The average marginal tax rate on physical capital held in every period is zero in present value. However, expected capital tax payments do not equal zero in every period. Necessarily, agents face negative expected capital tax payments early in the life-cycle and positive expected capital tax payments late in the life-cycle."		X
144	2014	Gross T	Equilibrium capital taxation in open economies under commitment	"This paper analyses equilibrium capital taxation in open economies with strategic interaction in a neo-classical growth model. Under perfect commitment, I show that non-cooperative capital taxes are zero in the long run for a large open economy, thereby generalizing the result previously established only for the special cases of a closed and a small open economy. This does not represent a race to the bottom, though, since the result is independent of the degree of capital mobility, the number of countries, or a country [U+05F3] s size relative to the rest of the world. Moreover, when countries cooperate, they still set capital taxes to zero in the long run. These outcomes are robust to different equilibrium specifications, the inclusion of endogenous government spending, and heterogeneous agents and non-linear labour income taxation. Governments find it optimal to implement the efficient capital allocation in the long run, both in a closed and an open economy; this trumps incentives to tax foreigners' domestic capital holdings by raising capital taxes and attracting capital from abroad by lowering capital taxes."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
145	2011	Gurgel A C, Paltsev S, Reilly J & Metcalf G	An analysis of us greenhouse gas cap-and-trade proposals using a forward-looking economic model	"We develop a forward-looking version of the recursive dynamic MIT Emissions Prediction and Policy Analysis (EPPA) model, and apply it to examine the economic implications of proposals in the US Congress to limit greenhouse gas (GHG) emissions. We find that shocks in the consumption path are smoothed out in the forward-looking model and that the lifetime welfare cost of GHG policy is lower than in the recursive model, since the forward-looking model can fully optimize over time. The forward-looking model allows us to explore issues for which it is uniquely well suited, including revenue-recycling and early action crediting. We find capital tax recycling to be more welfare-cost reducing than labour tax recycling because of its long-term effect on economic growth. Also, there are substantial incentives for early action credits; however, when spread over the full horizon of the policy they do not have a substantial effect on lifetime welfare costs."		X
146	2008	Hammar H, Jager S C & Nordblom K	Attitudes towards tax levels: a multi-tax comparison	"We analyse Swedes' opinions about the levels of 11 different taxes to see which taxes people are most averse to and why. The most unpopular tax is the real estate tax, while the corporate tax is the least unpopular. We find a strong self-interest effect in tax attitudes and that knowledge and education increase support for corrective taxes."		X
147	1998	Hange U & Wellisch	The benefit of fiscal decentralization	"If local governments are benevolent, a complete tax instrument set including an undistorted land tax is necessary to ensure an efficient allocation. If, however, governments are partly self-serving, the absence of an undistorted tax on land is necessary for welfare gains of tax competition. Although the supply of local public goods is distorted, interregional tax competition can increase the welfare of citizens since it reduces the incentives of politicians to waste tax revenues."		X
148	1997	Harrison A		Not available		X
149	2015	Hatfield J W	Federalism, taxation and economic growth	"We present a model of endogenous growth where government provides a productive public good financed by income and capital taxes. In equilibrium, a decentralized government chooses tax policy to maximize economic growth, while a centralized government does not do so. Furthermore, these conclusions hold regardless of whether governments are beholden to a median voter or are rent-maximizing Leviathans. However, a decentralized government will under-provide public goods which benefit citizens directly, while a central government beholden to the median voter will optimally invest in such public goods."		X
150	1994	Hatzipanayotou P	The real exchange rate under various systems of international capital taxation	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
151	1993	Hatzipanayotou P & Michael S M	Import restrictions, capital taxes, and welfare	"This paper develops a two-good, small-country, general-equilibrium model with trade restrictions (i.e., a tariff, an import quota, or a voluntary export restraint (VER)), international capital mobility, and taxes on the rate of return to capital. Within this context it examines the price and welfare effects of capital taxes, the second-best policy towards capital in the presence of such trade restrictions, and the welfare implications of trade liberalization in the presence of capital taxes. The analysis demonstrates, among other things, that (i) the optimal policy towards capital is a zero tax when imports are quota constrained, and is a tax under a tariff and a subsidy under a VER when the imported good is capital intensive; and that (ii) an asymmetry exists between trade and capital movements liberalization under the various trade regimes."		X
152	1997	Haufler A	Factor taxation, income distribution and capital market integration	"Addresses the optimal mix of capital and wage taxation when policymakers maximize the political support of workers and capitalists, subject to a fixed revenue requirement. Analysis of the effects of capital market integration in a two-country, two-class model of capital tax competition; Comparison of the results to those obtained in representative agent models when the government has multiple tax instruments at its disposal; Conclusions reached."		X
153	1999	Haufler A	Prospects for co-ordination of corporate taxation and the relationship between profit and wages	"This paper evaluates the recent proposals for a co-ordinated capital tax policy in the European Union, focusing on an EU-wide minimum withholding tax on interest income and alternative ways to increase the effective tax rate on corporate profits. The analysis draws on current theoretical and empirical research and views the recent capital tax reforms undertaken by individual member countries as rational adjustments to changing conditions in capital markets. Special emphasis is placed on the constraints for EU tax policy imposed by the possibility of shifting capital income to third countries. The paper concludes that some aggregate efficiency gains can be expected from the EU co-ordination proposals, but additional tax collections will be limited largely to the group of small savers while highly mobile large-scale investors are likely to avoid the EU tax."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
154	2009	Haufler A, Klemm A & Schjederup G	Economic integration and the relationship between profit and wage taxes	"This paper analyses the development of the ratio of corporate taxes to wage taxes using a simple political economy model with workers and capitalists that own internationally mobile and immobile firms. Among other results, our model predicts that countries reduce their corporate tax rate, relative to the wage tax, when preferences for public goods increase, or when the share of capital employed in multinational firms is rising. We further show how an increase in the wage share changes both the relative size of tax bases and the political influence of different income groups. The predicted relationships are tested using panel data for 23 OECD countries for the period 1980 through 2004. The results of the empirical analysis support our main hypotheses."		X
155	1999	Haufler A & Shjelderup	Corporate taxation, profit shifting, and the efficiency of public input provision	"In this paper we analyse the implications for the national provision of public inputs when profit shifting is possible, albeit costly, for internationally integrated firms. In this case a high level of public infrastructure will attract real investment, but the firm can at least partly avoid to pay correspondingly high corporate taxes. In contrast to much of the recent literature on capital tax competition and public infrastructure provision, we thus find that public inputs will be unambiguously underprovided when the corporate tax falls only on pure profits and international taxation follows the source principle. Extensions of the basic model cover the case of distortive capital taxes and alternative international tax regimes."		X
156	2015	Haufler A & Lulfesmann C	Reforming an asymmetric union: on the virtues of dual tier capital taxation	"The tax competition for mobile capital, in particular the reluctance of small countries to agree on measures of tax coordination, has ongoing political and economic fallouts within Europe. We analyse the effects of introducing a two tier structure of capital taxation, where the asymmetric member states of a union choose a common, federal tax rate in the first stage, and then non-cooperatively set local tax rates in the second stage. We show that this mechanism effectively reduces competition for mobile capital between the members of the union. Moreover, it distributes the gains across the heterogeneous states in a way that yields a strict Pareto improvement over a one tier system of purely local tax choices. We also discuss the effects of diverging capital endowments within the union and capital flows to third countries."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
157	1999	Hautcoeur P & Sicsic P	Threat of a capital levy expected devaluation and interest rates in France during the interwar period	“In this paper we try to isolate and measure the respective importance of political and economic aspects in two critical episodes of France interwar. We do this by separating expectations of taxation and of devaluation that are implicitly included in the prices of various categories of French and foreign bonds. Concerning the 1924-26 crisis, we show first that there was no expectation of a government default; second that the rise of interest rates in 1925 results from expectations of a capital levy; third that no hyperinflation was ever expected. After stabilisation, we show that the markets expected an appreciation of the franc up to 1931 and a devaluation afterwards.”		X
158	2014	Heijdra B J, Heijnen P & Kindermann F	Optimal pollution taxation and abatement when leisure and environmental quality are complements	“We study optimal environmental policy in a world featuring multiple stable economic-ecological equilibria. There is a two-way interaction between the macro-economy and the environment. We assume that the society under consideration finds itself in a high pollution equilibrium and show that a benevolent social planner is in principle able to engineer substantial welfare gains by choosing the appropriate mix of Pigouvian (capital) taxation and abatement activities. During the initial phase of the policy, abatement is used to reduce the inflow of dirt to zero whereas the tax is employed to bring down the stock of the polluting capital input in an optimal fashion. In the long run abatement is no longer needed and the capital tax settles down at its externality-correcting Pigouvian level. For a plausible parameterization optimal abatement takes place for up to twenty-five years whilst the long-run pollution tax never exceeds seven percent of gross operating surplus. In order to escape out of the pollution trap the full force of the available environmental instruments is only needed temporarily.”		X
159	2000	Heijdra B J & Ligthart J E	The dynamic macroeconomic effects of tax policy overlapping generations model	“The paper studies the dynamic allocation effects of tax policy within the context of an overlapping-generations model of the Blanchard-Yaari type. The model is extended to allow for endogenous labour supply and three tax instruments, viz. a capital tax, labour income tax, and consumption tax. Both analytical expressions and simple diagrams are used to analyse the impact, transition, and long-run effects of tax policy changes. It is shown that a part of the long-run incidence of capital and consumption taxes falls on capital when households' horizons are finite whereas labour would fully bear the burden of these taxes in an infinite-horizon model.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
160	2002	Heijdra B J & Ligthart J E	Tax policy, the macroeconomic, and intergenerational distribution	"The paper studies the dynamic macroeconomic and welfare effects of tax policy in the context of an overlapping-generations model of the Yaari-Blanchard type for a closed economy. The model is extended to allow for endogenous labour supply and three tax instruments--namely, a capital tax, labour income tax, and consumption tax. It is shown that labour taxes increase welfare of old generations whereas capital and consumption taxes reduce their welfare."		X
161	2008	Hilt E	When did ownership separate from control? Corporate government in the early nineteenth century	"This article analyses the ownership structures and governance institutions of New York's corporations in the 1820s, using a new dataset collected from the records of the state's 1823 capital tax, and from the corporate charters. In contrast to Berle and Means's account of the development of the corporation, the results indicate that many firms were dominated by large shareholders, who were represented on the firms' boards, and held sweeping power to utilize the firms' resources for their own benefit. To address this problem, many firms configured their voting rights in a way that curtailed the power of large investors."		X
162	2015	Hiraguchi R & Shibata A	Taxing capital is a good idea: the role of idiosyncratic in an old model	"We investigate an overlapping generations (OLG) model in which agents who live for two periods receive idiosyncratic productivity shocks when they are old. We show that, around zero tax equilibria, we can always construct a combination of a small capital tax and a lump-sum transfer that are Pareto-improving. As Dávila et al. (. Econometrica (2012)) show, a capital reduction in one period raises the welfare level of agents who are old in that period, but lowers that of the young agents, because it reduces their wages. We show that the government can compensate for these wage losses by additionally taxing the old agents, such that their welfare gains remain positive. Our result is unchanged when earnings are uncertain at young age."		X
163	1990	Honkapohja S & Lempinen U	On government deficits and speculation	"We consider a dynamic stochastic general equilibrium model with a representative consumer-investor and two producing firms. All the assets are real investments of capital into productive processes. Government expenditures, taxes and money financing are explicitly incorporated. The holding of money is modelled through a cash-in-advance constraint. "Fundamental budget deficits" generated by flat rate expenditure and income tax rules can be financed by printing money or randomly levying temporary wealth taxes, modelled as a Poisson process. Characterization and properties of the "balanced-budget" rational expectations equilibrium are analysed. It is shown that government may promote growth by adjusting the fundamental deficit."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
164	1918	Hook A	A tax on capital redemption of debt	Not available		X
165	1999	Horowitz I & Horowitz A R	Risky assets and the choice of tax base	"Using a two-period model in which income is earned in the first period and saving can be invested in a risky asset, the authors explore the implications of the wealth tax and the consumption tax approaches for both the government and the wage earner. Settings under which decisions are made through Marshallian utility functions and settings under which decisions are made through von Neumann-Morgenstern risk preference functions are clarified. This is an issue that has suffered from benign neglect in this literature. It is shown that the implications of uncertainty for tax policy are much greater than has hitherto been implied."		X
166	2015	House C L & Tesar L L	Greek budget realities: no easy option	"This paper uses a quantitative dynamic open economy macroeconomic model to examine alternative strategies that the Greek government could implement to increase its primary balance on a flow basis by 1 percent of GDP, representing roughly one quarter of Greece's total annual liability. We examine the impact of increases in distortionary taxes and reductions in government expenditures on the macro economy in both the short and long run. The necessary fiscal adjustments are large and entail substantial macroeconomic costs. These costs are even greater when one takes into account realistic elasticities of the tax base and the fact that Greece is a small open economy. Delaying fiscal adjustment could yield short-term benefits, but ultimately such delays come at a high price unless Greece's creditors are willing to provide additional finance at below-market rates. The basic framework holds the growth rate of the Greek economy fixed. Naturally, fiscal adjustments become less painful under a scenario in which the Greek economy returns to a positive growth path. Whether structural reforms or other policies can generate such growth remains an open question."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
167	2015	Hubrad T P & Svec J	A model of tradeable capital tax permits	"Standard models of horizontal capital tax competition predict that, in a Nash equilibrium, states set tax rates inefficiently due to externalities-capital inflow to one state corresponds to capital outflow for another state. Researchers often suggest that the federal government impose Pigouvian taxes to correct for these effects and achieve efficiency. We propose an alternative incentive-based regulation: tradeable capital tax permits. Under this system, the federal government would require a state to hold a permit if it wanted to reduce its capital income tax rate from some predefined benchmark. These permits would be tradeable across states. We show that, if the federal government sets the correct number of total permits, then social efficiency is achieved. We discuss the advantages of this system relative to the canonical suggestion of Pigouvian taxes."		X
168	2017	Hur J & Lee K	Fiscal financing and the efficacy of fiscal policy in Korea: empirical assessment with comparison to the U.S. evidence	Not available		X
169	1974	Ishikawa T	Imperfection in the capital market and the institutional arrangement of inheritance	Not available		X
170	2012	Jacobs B & Schindler D	On the desirability of taxing capital income in optimal social insurance	"This paper analyses optimal linear taxes on labour income and savings in a two-period life-cycle model with ex ante identical households, endogenous leisure demands in both periods, and general processes of skill shocks over the life cycle. We demonstrate that the Atkinson-Stiglitz theorem breaks down under risk. Capital taxes are employed besides labour income taxes for two distinct reasons: i) capital taxes reduce labour supply distortions on second-period labour supply, since second-period labour supply and saving are substitutes, ii) capital taxes insure first-period income risk, although this benefit is partially off-set because first-period labour supply and saving are complements. Our results imply that (retirement) saving should not be actuarially fair. "		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
171	1974	Jakhade V M & Shetty S L	Distribution of urban household wealth in India-i: a first approximation	“This paper seeks to explore the possibilities of presenting a method, albeit a crude one, for observing the trends in wealth distribution among urban households. At this stage of the country's economic development, no official 'administrative' statistics would provide a correct picture of the reality regarding wealth distribution. The only method of obtaining such a valid picture is through systematic surveys. However, till such surveys are undertaken, it may be worthwhile to attempt, on the basis of available official statistics, to frame a rough pattern of the distribution of wealth and to indicate broad trends over a period of time. The present study has this modest objective in view.”	I	
172	1974	Jakhade V M & Shetty S L	Distribution of urban household wealth 2014: ii	“This paper seeks to explore the possibilities of presenting a method, albeit a crude one, for observing the trends in wealth distribution among urban households. At this stage of the country's economic development, no official 'administrative' statistics would provide a correct picture of the reality regarding wealth distribution. The only method of obtaining such a valid picture is through systematic surveys. However, till such surveys are undertaken, it may be worthwhile to attempt, on the basis of available official statistics, to frame a rough pattern of the distribution of wealth and to indicate broad trends over a period of time. The present study has this modest objective in view. [The first part of this article was published last week.]”	I	
173	2013	Janeba E & Osterloh	Tax and the city- a theory of local tax competition	“In this paper we propose a novel theoretical model of tax competition at the local level. Large jurisdictions (cities) compete both locally with smaller neighbouring communities and interregional with more distant cities, while small jurisdictions (hinterlands) compete only with other jurisdictions in their neighbourhood. The model structure is motivated by recent empirical findings as well as survey results among German mayors: the perceived intensity of competition for firms varies considerably between jurisdictions and can mainly be explained by the size and location of the jurisdiction. Our model predicts - contrary to earlier findings for competition between countries or regions - that capital taxes of large jurisdictions fall more strongly with increasing interregional competition and may eventually lead to smaller taxes than in small jurisdictions. Hinterlands are therefore less affected from globalisation than cities. We contrast our results with a standard tax competition model in which all jurisdictions compete with all other jurisdictions.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
174	1999	Janeba E & Wilson J D	Tax competition and trade protection	“This paper reconsiders the question of whether tax competition for mobile capital leads to tax rates on capital that are too low or too high from the combined viewpoint of the competing regions (or countries in an economic union). In contrast to standard models of tax competition, both commodity trade and capital mobility is allowed to occur between the competing regions and the rest of the world. A key result of the analysis is that whether the capital taxes are too low or high depends on the degree of external trade protection. When the country's central government is free to set the tariff, tax competition leads to inefficiently low tax rates. However, in the absence of a tariff, tax rates can be too high. In particular, regions may choose to subsidize capital in equilibrium as a means of inducing favourable terms-of-trade effects, but the subsidy (i. e., a negative tax) will then be too low because an increase in a single region's subsidy benefits other regions by reducing their relative quantities of subsidized capital. These results are discussed in the context of the European Union's Single Market”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
175	2011	Janeba E & Wilson J D	Optimal fiscal federalism in the presence of tax competition	"This paper models the optimal division of public goods provision between central and regional governments in an economy with interregional tax competition. Regional provision is inefficient because governments compete for scarce capital by lowering their capital taxes and public good levels to inefficiently low levels. On the other hand, central provision is inefficient because it is determined by the minimum winning coalition within a legislature. The optimal degree to which public good provision should be decentralized depends on a trade-off between these inefficiencies. In our main model, complete centralization is never optimal: regional governments should supply some public goods."		X
176	1970	Jhavern N J	Tax exemption on personal savings	"Income-tax and wealth-tax exemption on personal savings falling in certain specified categories is often given to provide relief to a tax-payer, in the hope that, he might thus save a part of his income in the tax-exempt forms of savings. For, while the disposable income after tax of a taxpayer increases with the exemption and the effective rate of tax on his income gets reduced, the expectation is that the relief will induce the tax-payer to increase savings in the specified forms and will thereby increase the level and flow of personal savings in the economy. This article aims to examine the evolution of legislative provisions pertaining to tax rebate in India, to analyse data available in this regard, and then to evaluate the success of the present policy of tax rebate."		X
177	1975	Jhavern N J	Contingent upon the unlikely	"For the realisation of the investment outlays provided in the Budget for 1975-76, in addition to the price stability, financial discipline of a very high order will be required on the part of the Central and state governments. All the major tax concessions incorporated in the Budget are designed to encourage investment and will contribute to growth of output in future, depending on the gestation period. None of these incentives is designed to induce current output."		X
178	1982	Jhavern N J	Central budget: 1982-83	"The Budget for 1982-83 appears to have fallen short of the expectations of business and industry and the salaries. Its failure in this regard stems partly from the exaggerated expectations that had been raised and partly from the many factors which have rendered Budgets an exercise in keeping the Five-Year Plans going as best as possible. The 1982-83 Budget's support to the Sixth Plan is only modestly higher than its predecessor's and even this modest increase has been achieved with great difficulty. While the Budget has taken several steps in the right direction, many of them are taken haltingly, primarily because resource mobilisation is becoming an increasingly difficult exercise."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
179	2016	Johannesen N	Taxing the financially integrated multinational firm	"This paper develops a theoretical model of corporate taxation in the presence of financially integrated multinational firms. Under the assumption that multinational firms use some measure of internal loans to finance foreign investment, we find that the optimal corporate tax rate is positive from the perspective of a small, open economy. This finding contrasts the standard result that the optimal-source-based capital tax is zero. Intuitively, when multinational firms finance investment in one country with loans from affiliates in another country, the burden of the corporate taxes levied in the latter country partly falls on investment and thus workers in the former country. This tax exporting mechanism introduces a scope for corporate taxes, which is not present in standard models of international taxation. Accounting for the internal capital markets of multinational firms thus helps resolve the tension between standard theory predicting zero capital taxes and the casual observation that countries tend to employ corporate taxes at fairly high rates."		X
180	2001	Joulfaian D	Choosing between income tax and a wealth transfer tax	"This paper traces the implications of replacing the estate tax with a basis carry over regime under the income tax. Such changes are likely to level the playing field and generally extend uniform tax treatment to gifts and bequests, spousal bequests and bequests to children, gains realized during life and those held at death, and deaths in community property versus non-community property states, among others. Relative to current law, these changes may have the effect of reducing spousal bequests in favour of direct transfers to the children, and discouraging lifetime gifts in favour of bequests as well as borrowing to finance consumption."	I	
181	1991	Joulfaian D & Marlow M L	Incentives and political contributions	"Two implications from this research are noted. First, from a researcher's viewpoint, our research suggests the importance of age, wealth, tax rates, and marital status as determinants of political contributions by top U.S. wealth-holders. Therefore, these factors should be included in aggregated models that attempt to analyse the relations between such variables as voting, campaign expenditures and the outcomes of elections. Second, from politicians' viewpoints, this research suggests that individual economic variables such as marginal tax rates and wealth are major determinants of individual decisions to contribute to politicians. Assuming that such contributions reflect "votes," this research suggests the relative importance of focusing campaign promises on economic variables - a strategy that "low tax" politicians like Ronald Reagan and George Bush may keenly be aware of."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
182	2016	Jjulia T, Rahman M P & Kassim S	Shariah compliance of green banking policy in Bangladesh	"Purpose This paper aims to critically evaluate whether the policies of green banking set by Bangladesh Bank are Shariah compliant; according to the main sources of the Shariah – Quran and Sunnah. Design/methodology/approach Green policy and guidelines have been divided into different categories such as environment protection, conservation of resources, risk management, educating people about green financing, transparency and disclosure and investing in green projects according to the common measures as stated in three different phases of the policy and guidelines. Subsequently, these major aspects of the green policy and guidelines are linked to the main references of the Shariah, i.e. the holy Quran and Sunnah of Prophet [peace be upon him (pbuh)]. Findings Various verses of the holy Quran and teachings of Prophet (pbuh) related to the major categories of Green policy and guidelines are being presented to show the compliance with Shariah. Practical implications The Green policy and guidelines are very much in-line with Shariah. Though all types of banks in Bangladesh are bound to implement the green banking policy, however, Shariah compliance of green banking policy will be encouraging for all Islamic Banks of Bangladesh for their further and profounder involvement in it. Social implications as green policies are found to be Shariah complaint, the Islamic banks are expected to contribute more to the sustainable economic growth of the country by successfully implementing the green financing policies compare to their conventional counterpart. Originality/value Verses of holy Quran and authentic Hadiths related to environmental sustainability concept show that Islam is a green religion as well as green banking policy is Islamic."		X
183	1972	Junankar P N	Land ceilings as a tax on agriculture: a note	"In this note I have tried to show that land ceilings are conceptually equivalent to a wealth tax on agriculture. The case for ceilings on equity grounds is very strong and that on efficiency grounds is also fairly strong. Thus, if we treat ceilings as 'just another tax' some of the opposition to it may weaken."		X
184	2012	Kachelein H	Local tax competition and indirect tax exportation	"This article studies capital tax competition in a model with external ownership of fixed factors. A simple condition is provided on the feasibility of an efficient Nash equilibrium, which depends only on factor income shares, the elasticity of substitution in production, and the size of the public sector. For a reasonable setting and related values, tax exporting incentives are too weak to cancel out the positive externality of tax competition, leading to the conclusion that the most likely outcome is that there will be an undersupply of public activity."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
185	2014	Kachelein H	Asymmetric capital tax competition and choice of tax rate: commuting as an explanation for tax differentials	"This article provides an alternative mechanism that explains differences in capital tax rates, which applies to small jurisdictions. In the framework of standard capital tax competition models, regions have to be large, in the sense of having market power, otherwise they will tax capital, a mobile factor, at the same rate. In this paper, we consider a second mobile factor, labour, which is mobile only within metropolitan areas. We will show that this spatially limited mobile factor may explain the capital tax rate differences levied on the global mobile factor as long as no source-based wage tax is available. In addition to the theoretical treatment, numerical simulations also confirm this result and show a significant tax differential."		X
186	1942	Kaldor N	The income burden of capital taxes	Not available	I	
187	2011	Kammas P	Strategic fiscal interaction among OECD countries	"This paper investigates whether OECD countries compete with each other for mobile factors by using various fiscal (tax-spending) policy instruments. We use a panel dataset of 20 OECD countries over the 1982-2000 period. Results reveal evidence that international capital inflows (FDI) are affected by fiscal policy at home and abroad. Also, there is evidence that domestic capital tax rates react: (i) positively to changes in capital tax rates in neighbouring countries, and (ii) negatively to changes in public investment spending in neighbouring countries. In contrast, strategic interdependence over public investment spending decisions is not established."		X
188	2011	Keane M P	Human capital, taxes and labour supply	"The standard life-cycle labour supply model accounts for asset accumulation, but ignores human capital investment. This article describes some recent work that introduces human capital into the standard model. This has some interesting, and even surprising, implications for labour supply elasticities. In particular, once we account for the effects of human capital, it appears that labour supply elasticities may be much larger than conventional wisdom would suggest. This, in turn, implies that the efficiency costs of labour income taxation may be much larger than is commonly assumed. Consequently, labour income taxation should be viewed as comparably costly to other types of taxation (such as capital income taxation)."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
189	2002	Keen M & King J	The creation profit tax: an ace in practice	“This paper discusses the experience of Croatia in applying, from 1994 to the beginning of 2001, a profit tax that was charged only on equity income in excess of an imputed normal return — and was thus, in essence, an 'Allowance for Corporate Equity' (ACE) scheme of the kind advocated by the IFS Capital Taxes Group and others. The computation of taxable profit under this system is summarised, and the theoretical attractions of the system are described. The paper then discusses a variety of criticisms that were made of the system in Croatia, including an alleged bias in favour of capital-intensive enterprises (and, in particular, large State-owned enterprises with overvalued assets), international complications, the complexity of the computations of taxable profit, the possibility that the rate of protective interest was set at an inappropriate level, and excessive revenue cost.”		X
190	2010	Kelders C & Koetthenbuerger M	Tax incentives in fiscal federalism: an integrated perspective	“Models of fiscal federalism rarely account for the efficiency implications of intergovernmental fiscal ties for federal tax policy. This paper shows that fiscal institutions such that federal tax deductibility, vertical revenue-sharing, and fiscal equalization (being common features of existing federations) encourage local taxation, but may discourage federal taxation. Furthermore, the structure of public spending is skewed towards local spending. We also show that, when considering Leviathan governments, fiscal institutions reduce confiscatory taxation by the federal government. The result is contrary to the Cartelization Hypothesis (Brennan and Buchanan 1980). Finally, we characterize the efficient design of intergovernmental fiscal ties.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
191	1991	Kessler D & Pestieau P	The taxation of wealth in the EEC: facts and trends	"This paper describes and discusses the taxation of wealth in the European community countries with particular emphasis on net wealth taxes and wealth transfer taxes at death. The main finding is that the contribution of these taxes to total tax revenue is minute and their effect on wealth distribution is negligible. To characterize and quantify the process of the erosion of the tax base and its inability to redistribute wealth, we use the example of France extensively."	I	
192	2011	Keuschnigg C	The design of capital income taxation: reflections on the Mirrlees	"This commentary reflects on the recommendations of the Mirrlees Review on tax reform, with a special focus on capital income taxation. Regarding the alternatives of moving to a consumption-based tax system, the commentary discusses the relative merits of choosing an ACE system (allowance for corporate equity) rather than a cash-flow tax at the company level. It reviews the arguments in favour of full elimination of tax on the normal return to savings at the personal level, which contrasts with alternative tax reform proposals recommending a positive but low and flat tax rate on personal capital income. The paper also discusses how existing computational models should be extended for a meaningful quantification of the gains and costs of implementing a tax reform along the lines of the Mirrlees Review proposals."		X
193	1998	Khan and Ahmad M	Reform issues in tax policy and tax administration for self-reliant development [with comments]	"Similar to most countries, objectives of the taxation system in Pakistan are not well-defined. Historically, the primary objective has been resource generation for the Government. The taxation system has simultaneously addressed the secondary objectives of promoting area/sector-specific economic activities, discouraging undesired imports/production, encouraging savings and investment. After explaining salient features and structural problems of Taxation System in Pakistan, this paper focuses on key issues in taxation reforms. These issues concern with both tax policy and tax administration. While equity and progressivity of taxation system are important considerations, the analysis presented in this study concludes that resource mobilisation appears to be the most important item on Government agenda. An important tax policy issue concerns broadening of the tax base, particularly for income, wealth and sales tax. Another important tax policy reform issue concerns the delineation of taxing jurisdiction of federal and provincial taxes. The major reform issues concerning tax administration broadly orbit around the inadequate institutional capacity to deal with a modern economy, lack of motivation and accountability."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
194	1991	Khan M H, Thiesenhusen W C & Chaudhry M G	Resource mobilization from agriculture in Pakistan with comments]	Not available		X
195	1996	Killinger S	Indirect internationalization environmental externalities	“The paper deals with the analysis of nationally optimal tax structures as to internalize cross-border externalities. Furthermore, the existence of a double dividend arising from the implementation of pollution taxes is evaluated. In the presence of lump-sum taxes both pollution taxes and capital taxes serve to internalize the externalities and to strategically influence the capital rent at the world capital market. In the case where lump-sum taxes are not available, conditions are found under which a double dividend can be reaped from the introduction of a pollution tax, i.e. that environmental quality improves and, additionally, private incomes rise.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
196	2017	King J E	The literature on Piketty	“The extensive critical literature on Thomas Piketty’s Capital in the Twenty-First Century is surveyed under nine headings. The first deals with the conservative argument that inequality in the distribution of wealth does not matter, since a rising tide lifts all boats. Second, it is claimed that Piketty’s prediction of continuously increasing inequality and the return of ‘patrimonial capitalism’ is unjustified. Third, the quality of the empirical evidence that he cites is questioned, on a number of quite different grounds. Fourth, some critics object that Piketty’s explanation of long-run trends in the distribution of wealth is too general and too theoretical. Fifth is the argument that he has used the correct (neoclassical) theory incorrectly, exaggerating the elasticity of substitution of capital for labour. Against this, post-Keynesian critics claim, sixthly, that Piketty is using the wrong theory, and should have drawn on the Kaldor–Pasinetti model of distribution and growth, and not the discredited neoclassical analysis. Seventh, Piketty has been criticised for ignoring the distribution of wealth in developing countries. Eighth, there is a wide range of objections to his most striking policy proposal, for a progressive global wealth tax. Finally, several critics from outside economics complain that Piketty has neglected a number of non-economic dimensions of inequality. I conclude by welcoming both the book and the critical literature, and calling for the distribution of wealth to be placed back on the political agenda. © 2016 Informal UK Limited, trading as Taylor & Francis Group.”	I	
197	1975	King M A	Reviewed Work(s): An Annual Wealth Tax. By C. T. Sandford, J. R. M. Willis and D. J. Ironside	Not available	I	
198	1991	Kingston G	Should marginal tax rates be equalized through time?	“I derive necessary and sufficient conditions for the intertemporal equalization of optimal tax rates. The conditions in the case of wage taxes include constant-elasticity labour supply and constant relative risk aversion. Wage taxes should be low in times of relatively elastic labour supply, or low risk aversion. The conditions in the case of capital taxes include perfect-foresight expectations and constant relative risk aversion. If foresight is imperfect, intertemporal equality will be impeded by a covariance term; if relative risk aversion is time-varying, next period's capital tax should have the same sign as this period's change in relative risk aversion.”		X
199	1996	Kitchen H		Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
200	2000	Knoop T A & Mathenky K J	Aggregate spillovers magnify the welfare benefits of tax reform	"Relatively small degrees of aggregate increasing returns to scale substantially magnify both welfare benefits and income effects associated with tax reform. External returns to scale of 10 per cent increase the welfare benefits of tax reform by roughly one-third and increase changes in income by significantly more than a model characterized by constant returns to scale. Aggregate spillovers of 20 per cent increase welfare benefits by roughly three-fourths. Aggregate spillovers significantly reduce tax revenue-maximizing capital tax rates. This research convincingly demonstrates the importance of precisely identifying the degree of aggregate returns to scale before the benefits of tax reform can be accurately assessed. JEL Classification: E62, O40"		X
201	2005	Kocherlakota N R	Zero expected wealth taxes: a Mirrlees approach to dynamic optimal taxation	"In this paper, I consider a dynamic economy in which a government needs to finance a stochastic process of purchases. The agents in the economy are privately informed about their skills, which evolve stochastically over time; I impose no restriction on the stochastic evolution of skills. I construct a tax system that implements a symmetric constrained Pareto optimal allocation. The tax system is constrained to be linear in an agent's wealth, but can be arbitrarily nonlinear in his current and past labour incomes. I find that wealth taxes in a given period depend on the individual's labour income in that period and previous ones. However, in any period, the expectation of an agent's wealth tax rate in the following period is zero. As well, the government never collects any net revenue from wealth taxes."	I	
202	1996	Konishi H	Equilibrium in abstract political economies: with an application to a public good economy with voting	"Consider an abstract political economy which has a collective choice rule together with strategic interactions among players. We prove that there exists an equilibrium in such an economy by synthesizing an equilibrium existence theorem in generalized games by Shafer and Sonnenschein (1975) and a voting core existence theorem in simple games by Schofield (1984, 1989). The theorem can be applied to a public good economy where public good provisions are determined by a class of voting rule."		X
203	1984	Koskkela E & Kanniainen V	Changing the tax base and risk-taking	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
204	2005	Koskela E, Sch, Xf & Br	Optimal taxation in economies with unionized and competitive labour markets	"According to the existing literature, capital taxes should not be imposed in the presence of optimal profit taxation in either unionized or competitive labour markets. We show that this conclusion does not hold for economies with dual labour markets where the competitive wage rate provides the outside option for unionized workers. Even with non-distortionary profit taxation, it is optimal for such economies to tax capital if the revenue share of capital in the unionized sector is lower than in the competitive sector. This is because taxing capital income reduces employment and lowers the outside option of workers in the unionized sector, with the latter employment effect being stronger. A capital subsidy should be granted if the opposite relationship of the revenue shares of capital holds."		X
205	1983	Kotlikoff L J	National savings and economic policy	Not available		X
206	1972	Krishnan T N	Taxation of property and net wealth in India: a note	"This paper attempts a study of some aspects of direct taxation in India and analyses in detail the steps for introduction of a comprehensive and broad-based tax on property and net wealth. The analysis reveals the gaps in data on many aspects of wealth distribution. The study, therefore, devotes considerable space to the estimation of the various components of personal wealth and these by themselves throw important light on the economic structure and ownership pattern of wealth in the rural and urban sectors. Some of these aspects, no doubt, have profound implications for public economic policy. This study does not, however, elaborate these ramifications of the distribution of personal wealth. The objective of this study is limited to making estimates of the yields from a property and net wealth tax. The study leads to the conclusion that the yield from such a tax can vary from Rs 220 crores to Rs 350 crores per annum with rates varying from 0.5 per cent to 5 per cent. Compared to these estimates, the present yield of less than Rs 15 crores per annum appears to be a ridiculously paltry sum. [I must express deep appreciation to K N Raj, P G K Panikar and A Vaidyanathan, whose comments and suggestions contributed enormously to the development of the ideas of this paper. They are not, however, responsible for any faults that still remain in the paper. My thanks are due to N Gopala Krishnan Nair and G Ramachandran Nair of the Bureau of Economics and Statistics, Government of Kerala, and M K Sukumaran Nair and A V Jose of the Centre for Development Studies for computational assistance."	I	
207	1990	Kumaran P	In the capital market	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
208	2010	Kunze L	Capital taxation, long run growth	"It has been shown that higher capital taxes can have a growth-enhancing effect when combined with a revenue-compensating cut in wage taxes or with an expansion in productivity-increasing public services. The present paper demonstrates that these results critically hinge on the existence of a bequest motive. It is shown that a wage-tax cut is no longer growth-enhancing when bequests are operative. By way of contrast, increasing productive public services may well boost growth. The theoretical findings are illustrated by numerical simulations based on US data."		X
209	2003	Lai Y B	Interest groups, economic competition and endogenous public policy	"A common-agency model is constructed to investigate how two interest groups - a workers' group and an environmentalists' group -affect the formation of a capital tax and an environmental policy. The political power of interest groups, which is related to the free-rider problem that they face, is crucial in deciding these policies. This paper depicts the conditions under which either NIMBY or a race to the bottom occurs. Moreover, this paper examines whether the equivalence between a pollution tax and a pollution standard is sustained despite interference from interest groups."		X
210	2010	Lai Y B	The political economy of capital market integration and tax competition	"This paper investigates the effect of capital market integration (CMI) on capital taxes in a political economy framework in which policy is influenced by lobbying of interest groups. CMI increases the efficiency cost of the capital tax, which introduces incentives to reduce the tax rate, but also reduces lobbying by owners of capitalists, which introduces countering incentives to increase the tax rate. CMI can therefore result in a higher capital tax rate. When the market share of each country is small, CMI may increase government supply of public goods and enhance efficiency, which implies that, in the presence of policy endogeneity through lobbying, decentralized policymaking can be more efficient than centralized policymaking. "		X
211	2014	Lai Y B	Asymmetric tax competition in the presence of lobbying	"This paper incorporates the influence of interest groups into the asymmetric tax competition model to explain the phenomenon that small countries do not necessarily set lower capital tax rates than large countries. In addition to the efficiency effect considered by the standard model, which leads the smaller country to set a lower capital tax rate, this present paper also takes account of the political effect arising from lobbying. We show that the smaller country may face less downward political pressure. If the political effect outweighs the efficiency effect, then the smaller country sets a higher tax rate than the larger country. This result has several welfare implications, which are in contrast to the conventional consequences."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
212	2011	Laeoque G	On income and wealth taxation in a life cycle model with extensive labour supply	"In a stationary life-cycle model with extensive labour supply, two forms of taxation are studied: non-linear income taxation and linear wealth taxation. In the life-cycle model, the social weights of the dynasties depend on their permanent incomes, not on the observed taxable current income. A tax on wealth then can complement income tax as a redistributive tool. The derivative of social welfare with respect to the wealth tax rate at the no-tax point is computed. It is positive whenever permanent income is positively correlated with aggregate life time savings. This result is illustrated on a numerical example."	I	
213	2008	Larsen M & Pedersen P J	Pathways to early retirement in Denmark: 1984-2000	"Purpose – The paper seeks to describe the multitude of pathways to early exit from the labour force and to estimate how individuals allocate into different pathways out of the labour force conditional on early retirement. Design/methodology/approach – A multinomial logit approach is used to analyse the characteristics of individuals who retire through each pathway compared to those remaining in the labour force. Findings – Eight pathways from work to an early retirement programme are identified. Overall, availability and/or generosity of retirement programmes are important for early retirement through the employment and unemployment insurance benefit dominated pathways, while personal characteristics seem to be at least as important for early retirement through other pathways. Research limitations/implications – An interesting approach in future work would be to gain access to health data, making it possible to build a competing risks model where some pathways are used due to health shocks and others are chosen based on economic optimisation comparing compensation rates with disutility from continued work. Originality/value – While the dominant approach in many retirement studies is on destinations, the analytical focus in this paper is instead on how people span the period from leaving the job until entry into an early retirement programme. The period the authors study contains a policy experiment, where a programme for early retirement conditional on age and unemployment is opened and closed down again later in the period."		X
214	1982	Lawrence C & Levy V	On sharing the gains from international trade: the political economy of oil consuming nations and oil producing nations	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
215	2006	La Cacheux J	Réformer la fiscalité française pour faire face à la concurrence fiscale	“There is increasing evidence that tax competition amongst EU member states has been mounting over the past two decades, and has become fiercer since the latest enlargement in 2004. The completion of monetary union is also likely to aggravate this tendency, by making other instruments of non-cooperative strategies, in particular currency devaluations, unavailable. France is particularly exposed to tax competition, because of its high overall tax pressure and the concentration of tax burden on the more mobile taxpayers (high-income earners, wealth holders and firms). This paper describes a tax reform proposal that has been designed with the objective of responding to tax competition. It is meant to preserve total tax revenues and leaving the after-tax income distribution unchanged compared to current one. It simplifies direct taxation by abolishing the personal wealth tax, merging personal income tax with the general social contribution into a three-bracket general income tax, and alleviating corporate income taxation.”		X
216	2011	Lechthaler W	Firm training and capital taxation	“In the setup of an overlapping-generations model with firm training, I analyse the consequences of a tax on capital income. A capital tax influences training investment via two opposing effects. On the one hand, it lowers the stock of physical capital and thereby the productivity of training. On the other hand, the degree of wage compression is increased, improving the incentives to train. In principle either effect can dominate. If the wage-compression effect dominates, it is possible that a tax on capital income increases welfare, since underinvestment in training is more severe than underinvestment in physical capital.”		X
217	2004	Lee K	Taxation of mobile factors as insurance under uncertainty	“This paper considers the effects of the taxation of mobile factors, i.e., capital, under uncertainty. The wages earned by residents of a jurisdiction are uncertain due to random shocks. Since the uncertain wages in a jurisdiction depend on the amount of mobile capital employed in the jurisdiction, and since taxation alters the quantity of capital employed, taxation affects the riskiness of uncertain wages. In particular, the taxation of capital moderates the fluctuation of uncertain wages, thereby providing insurance. For this reason, jurisdictions use distortionary capital taxation even if lump-sum taxation is available. In addition, this insurance effect counteracts the tendency toward too low tax rates on capital arising from tax competition, and possibly improves the efficiency of tax competition.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
218	2012	Lee K	Why is mobile capital taxed	"The government for a jurisdiction has both capital and labour taxes at its disposal. It taxes mobile capital to finance the public good despite the desire to attract capital and despite the tax on immobile labour if capital incomes are distributed more unequally than labour incomes among the residents of the jurisdiction. The result extends to progressive taxes and to pure redistribution."		X
219	1984	Lindholm R W	The constitutionality of a federal net wealth: a socioeconomic analysis aimed at ending the under taxation of land	"Abstract. Consideration of a Federal Net Wealth Tax would help settle the question of the scope and limits of the taxing powers of the United States Government. The confusion attending this, which has prevented the federal government from taxing land and kept state taxation of land too low to be an efficient allocator of this resource, can be clarified. The Constitution's Article I, Section VIII, gave the federal government power to levy taxes, duties, imports and excises, as "indirect" taxes, requiring only that the duties, imposts and excises be "uniform throughout the United States." The 16th Amendment authorized a "direct" tax on "incomes, from whatever source derived." The intent of the Founding Fathers—almost all large landholders—was to prevent the new federal government from using land as a tax base. But the distinction between the types of taxes lacks economic meaning. By making the base of a new tax the net wealth of taxpayers. Congress could obtain a Supreme Court test to end the confusion. If the Court, following precedent, required that land be excluded from the tax base, this would assure land as a tax base to the states and permit them to tax it in a way to end speculative withholding of tracts and sites and to bring about orderly development according to current need."	I	
220	1986	Lindholm R W	Tax reform: the broad picture	Not available		X
221	2000	Liu L, Rettenmaier A J & Saving T R	Constraints on big-bang solutions: the case of intergenerational transfers	"This paper introduces intergenerational equity into the analysis of transitions to a market economy. Analysing Social Security privatization, we find that payroll tax labour market distortions, rather than capital tax capital market distortions, are the major source of any efficiency gain from a privatization. Further, the transition path following privatization determines the distribution of efficiency gains across generations. Finally, measuring the ease of privatization as the length of the shortest politically feasible transition, some conventional beliefs concerning factors that constitute favourable or unfavourable conditions for Social Security privatization are generally unsupported."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
222	2016	Liu Y	Do government preferences matter for tax competition	"This paper explores how government preferences affect capital tax decisions of a country. We develop a model in which governments, differentiating in their preferences for economic development and income equality, compete for mobile capital over corporation taxes. The key prediction of the model, borne out in data from OECD countries over the years 1990–2012, is that an increase in government preferences for pursuing economic development relative to income equality makes countries' horizontal tax reactions stronger. Unlike the existing studies, our result contributes to the tax competition literature by highlighting the importance of government preferences in determining the extent of tax competition among countries and so offering a novel explanation for the widely observed heterogeneous tax policies across countries."		X
223	2004	Lorz O	Unemployment, social transfers and international capital mobility	"This paper analyses the consequences of international capital mobility for national social-transfer policy and unemployment in a model with workers of different skill and income levels. Social transfers may cause unemployment of low-skilled workers if the transfer level exceeds their potential incomes on the labour market. Because of these employment effects, social transfers may influence the international allocation of capital. The equilibrium transfer policy with capital mobility may differ from the policy in a closed economy. However, as the paper shows, capital mobility does not necessarily imply a reduction of social transfers. The paper also considers capital taxes and the supply of public consumption goods in this framework."		X
224	2017	Lundberg J & Walderstrom D	Wealth inequality in Sweden: what can we learn from capitalized income tax data?	"This paper presents new estimates of wealth inequality in Sweden during 2000-2012, linking wealth register data up to 2007 and individually capitalized wealth based on income and property tax registers for the period thereafter when a repeal of the wealth tax stopped the collection of individual wealth statistics. We find that wealth inequality increased after 2007 and that more unequal bank holdings and housing appear to be important drivers. We also evaluate the performance of the capitalization method by contrasting its estimates and their dispersion with observed stocks in register data up to 2007. The goodness-of-fit varies tremendously across assets and we conclude that although capitalized wealth estimates may well approximate overall inequality levels and trends, they are highly sensitive to assumptions and the quality of the underlying data sources."	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
225	2006	Marina A, Eva De F & Krussel P	Median-voter equilibrium in the neoclassical growth model under aggregation	"We study a dynamic version of Meltzer and Richard's median-voter model where agents differ in wealth. Taxes are proportional to income and are redistributed as equal lump-sum transfers. Voting occurs every period and each consumer votes for the tax that maximizes his welfare. We characterize time-consistent Markov-perfect equilibria twofold. First, restricting utility classes, we show that the economy's aggregate state is mean and median wealth. Second, we derive the median-voter's first-order condition interpreting it as a trade-off between distortions and net wealth transfers. Our method for solving the steady state relies on a polynomial expansion around the steady state."		X
226	2010	Martin F M	Markov-perfect capital and labour taxes	"This paper analyses the Markov-perfect equilibrium of an economy were a benevolent government that lacks the ability to commit to future policy choices, uses taxes on capital and labour income to finance the provision of a public good. The main finding is that the government taxes capital and subsidizes labour so that only the dynamic inefficiency of future capital taxes remains. If agents' preference for the public good is sufficiently high, then capital is confiscated. Setting bounds on taxes alleviates the dynamic inefficiency inherent in capital taxation, but some implementations carry a high welfare cost. Allowing for endogenous capital utilization makes the current capital tax distortionary and implies capital and labour tax rates that are relatively close to those measured for the U.S. economy."		X
227	2016	Masseli J J & Runkel B L	I do (sort of): tax planning strategies for same-sex couples in common-law marriage equality	"The U.S. Supreme Court, in Obergefell v. Hodges, ruled that the fundamental right to marry is constitutionally guaranteed to same-sex couples. However, neither this decision nor subsequent Treasury regulations specifically address common-law marriage (currently allowed in 11 states), the majority of which previously required marriage to be between opposite-sex couples. After Obergefell ruled such requirements unconstitutional, nine of those states modified their common-law statutes to include same-sex couples. Because the federal government has long recognized common-law marriage, this paper discusses prospective and retroactive income and wealth-transfer tax planning opportunities for eligible, common-law married, same-sex couples that qualify to file as married filing jointly for the current tax year and any open tax year for which they would have been considered common-law married. This manuscript presents a legal discussion, along with a variety of examples and tax planning strategies for samisen couples in common-law marriage states."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
228	2010	Mateos-Planas X	Demographics and the politics of capital taxation in a life cycle economy	"This article studies the effects of demographics on the mix of tax rates on labour and capital. It uses a quantitative general-equilibrium, overlapping-generations model where tax rates are voted without past commitments in every period and characterized as a Markov equilibrium. In the United States, the younger voting-age population in 1990 compared to 1965 accounts for the observed decline in the relative capital tax rate between those two years. A younger population raises the net return to capital, leads voters to increase their savings, and results in a preference for lower taxes on capital. Conversely, aging might increase capital taxation."		X
229	2010	Matsumuto M & Feehan J P	Capital-tax financing and scale economies in public input production	"Contrary to the dominant view of inefficient tax competition, Oates and Schwab (1991) show that capital-tax financing of public inputs leads to efficiency when the supply of these inputs is conditioned on business investment (Oates, W.E., Schwab, R.M., 1991. The allocative and distributive implications of local fiscal competition). This paper demonstrates that the cost structure of public-input production is relevant to their proposition on efficient capital-tax financing. That proposition holds if the per-unit cost of public inputs is exogenously fixed; however, it does not hold if public-input production exhibits scale economies. Also, this paper compares our analysis with the Zodrow-Mieszkowski model. That comparison illustrates the importance of the way public inputs are rationed to private firms."		X
230	2016	Mattauch L, Edenhofer O, Klenert D & Benard S	Distributional effects of public investment when wealth and classes are back	"In developed economies, wealth inequality is high, while public capital is underprovided. Here, we study the impact of heterogeneity in saving behaviour and income sources on the distributional effects of public investment. A capital tax is levied to finance productive public capital in an economy with two types of households: high income households who save dynastically and middle-income households who save for retirement. We find that inequality is reduced the higher the capital tax rate is and that low tax rates are Pareto-improving. There is no clear-cut trade-off between efficiency and equality: middle income households' consumption is maximal at a capital tax rate that is higher than the rate which maximizes high income households' consumption."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
231	1995	Michael M S	Foreign capital inflow with public input production	"This paper develops a general equilibrium trade model of a less developed country, facing imperfect international capital mobility, and producing a public input. Within this framework, the paper examines the welfare effects of an inflow of foreign capital when the government finances the provision of the public input either (i) by taxing the return to foreign capital, or (ii) by imposing a tariff on the imported good. Using the gross domestic product (GDP) function with public input production, the paper shows that (i) in the presence of a tariff, the inflow of foreign capital may increase the country's welfare, even if the imported good is capital intensive, and (ii) in the presence of capital taxes, the inflow of foreign capital may decrease the country's welfare. The paper examines also within the two-good, two-factor model the effect of a capital inflow on factors rewards."		X
232	1995	Mcgrattan M	Criteria for public investment: comment	"Previous studies of the U.S. Great Depression find that increased government spending and taxation contributed little to either the dramatic downturn or the slow recovery. These studies include only one type of capital taxation: a business profits tax. The contribution is much greater when the analysis includes other types of capital taxes. A general equilibrium model extended to include taxes on dividends, property, capital stock, excess profits, and undistributed profits predicts patterns of output, investment, and hours worked that are more like those in the 1930s than found in earlier studies. The greatest effects come from the increased taxes on corporate dividends and undistributed profits."		X
233	1991	Mintz J M	The role of wealth taxation in the overall system	"The role of wealth taxes in the Canadian tax system is examined. Wealth taxes are defined and categorized according to their intent. The two most important ones are the annual net wealth tax and inheritance tax. It is argued that the appropriate starting point for analysing wealth taxes is to consider the tax base most relevant to measuring an individual's welfare. Either consumption or income may be used as indicators of welfare; wealth taxes serve different roles depending on the view taken towards measuring a household's welfare. The paper argues that the annual net wealth tax could serve as a useful supplementary tax for accrued income taxation such as the taxation of capital gains. Inheritance taxes are, in principle, consistent with income or consumption taxation although the type of inheritance tax depends on the desired tax base."	I	
234	1991	Mintz J M	The role of wealth taxation in Canada: an introduction	Not available	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
235	2017	Mirhosseini S S, Mahmoudi N & Valokolaie S N P	Investing the relationship between green tax reforms and shadow economy using CGE model- a case study in Iran	"In the past decades, the effect of different tax amendments on various economic issues has been studied. The majority of these studies have avoided considering shadow economy as part of the calculation and analysis, and an issue, which has received little attention, is the relationship between green tax reforms and shadow economy, as for informal labour, which is well-connected to unemployment rate, and, consequently, welfare. On this basis, in order to make the CGE model more compatible with the real world, this relationship has been investigated in a mathematical model. Finally, in order to perform the calculations, the presented model has been implemented and analysed on social accounting matrix (SAM) of Iran. Computational results show impact of change in labour tax and capital tax on environment (CO2 emission), GDP, social welfare and unemployment. Based on presented analysis, change in shadow economy has a high impact on unemployment rate and informal labour. Sensitivity analysis on size of shadow economy shows that reducing CO2 emissions, bigger shadow economy leads to higher social welfare. The results indicate the efficiency of the model."		X
236	2011	Mirrlees J, Adam S, Besley T, Blundel R, Bond S, Chote R, Gamme M, Johnson P, Myles G & Poterba J	The Mirrlees review: conclusions and recommendations for reform	"This paper provides a summary of the conclusions and recommendations of the Mirrlees Review of the UK tax system. The characteristics that a good tax system should possess are described and used to assess the current UK system. A package of reforms for the UK system which will move it closer to the ideal is proposed. Issues related to transition and to practical implementation of the reform package are discussed."		X
237	2011	Monacelli T	Comment	Not available		X
238	1965	Morgan J N, Barlow R & Brazer H E	A survey of the investment management and working behaviour among high-income individuals	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
239	2012	Muthitacharoen A & Zodrow G R	Revisiting the excise tax effects of the property tax	“The authors analyse the excise tax effects of a general property tax from the perspective of a small open economy facing a perfectly elastic supply of capital. The model differs from most that have appeared in the literature in the following ways: (1) the property tax is applied in a four-sector model with three taxed sectors-manufacturing, housing, and services, and a tax-exempt agricultural sector. Only manufacturing and agriculture produce tradable goods; (2) the analysis considers an "intermediate run" time frame in which labour is perfectly mobile across production sectors but fixed within the jurisdiction, while land is fixed in each sector; and (3) all production sectors use capital, labour, and land. The authors find that the excise tax effects are borne primarily by labour and land. The results also indicate that the degree of backward tax-shifting declines markedly in a longer run time frame in which labour is perfectly mobile across jurisdictions.”		X
240	1995	Neary J P	Factor mobility and international trade	“This paper develops a two-country model of trade and factor mobility, in which capital is sector-specific but internationally mobile. The model avoids the indeterminacy and propensity to specialize of Huckster-Ohlin models and exhibits a rich variety of responses to exogenous shocks, including transfers, capital taxes, and tariffs. The results throw light on the relationship between goods and factor trade, reconciling the conflicting views of previous writers. It is argued that the model holds out the possibility of a new paradigm in international trade theory in which international factor movements play a central rather than a peripheral role.”		X
241	1970	Nishtar	Stock market is all smiles	“This paper develops a two-country model of trade and factor mobility, in which capital is sector-specific but internationally mobile. The model avoids the indeterminacy and propensity to specialize of Huckster-Ohlin models and exhibits a rich variety of responses to exogenous shocks, including transfers, capital taxes, and tariffs. The results throw light on the relationship between goods and factor trade, reconciling the conflicting views of previous writers. It is argued that the model holds out the possibility of a new paradigm in international trade theory in which international factor movements play a central rather than a peripheral role.”		X
242	1971	Nishtar	Delayed reaction	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
243	2015	Natuhara K	Laffer curves in japan	"This paper investigates the Laffer curves in Japan, based on a neoclassical growth model. It is found that while the labour tax rate is smaller than that at the peak of the Laffer curve, the capital tax rate is either very close to, or larger than, that at the peak of the Laffer curve. This problem is more serious when the consumption tax rate is high. It is also found that to maximize total tax revenue, the government should increase the labour tax rate but decrease the capital tax rate."		X
244	2016	Oddou R	The effect of spillovers and congestion on the endogenous formation of jurisdictions	"This paper analyses the effect of interjurisdictional spillovers and congestion of local public services on the segregate properties of endogenous formation of jurisdictions. Households choosing to live at the same place form a jurisdiction which produces congested local public services, which generates positive spillovers to other jurisdictions. In every jurisdiction, the production of the local public services is financed through a local tax based on households' wealth. Local wealth tax rates are democratically determined in every jurisdiction. Households consume the available amount of public services in their jurisdiction and a composite private good. Any household is free to leave its jurisdiction for another that would increase its utility. A necessary and sufficient condition to have every stable jurisdiction structure segregated by wealth is identified: the public services must be either a gross substitute or a gross complement to the private good."		X
245	2007	Ogawa H	Strategic taxation on mobile capital with spillover externality	"By incorporating spillover externality into the model, a generalization of the strategic tax competition model is attempted to find the equilibrium tax rates chosen by both capital import and export jurisdictions. The result shows that jurisdictions not only choose their capital tax rates to manipulate the terms of trade, but also adjust them to control capital allocation among the jurisdictions to receive appropriate benefit spillovers."		X
246	2013	Ogawa H	Further analysis on leadership in tax competition: the role of capital ownership	"This paper extends the work of Kompf and Rota-Graziosi (J. Pub. Econ. 94:768-776, 2010), which argues that under capital tax competition the sub-game perfect equilibria (SPEs) correspond to two Stackelberg outcomes. The findings show that the Kempf and Rota-Graziosi result depends on the form of capital ownership. By generalizing the form of capital ownership, this paper shows that the simultaneous-move outcome prevails as an SPE if the capital is owned by residents in the countries, whereas the Kempf and Rota-Graziosi argument holds if the capital is owned by non-resident."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
247	2016	Ogawa H	When ad valorem tax prevails in international tax competition	“The studies on capital tax competition have assumed that the governments compete for mobile capital in unit tax, and this assumption is partially justified by Lockwood (2004), which proves that unit tax competition is always welfare superior to ad valorem tax competition within a framework of symmetric tax competition. This paper presents the re-examination of governments' choice on tax method in the framework of asymmetric tax competition. The results show that asymmetric countries do not compete in the same tax instrument, as assumed in the literature. The capital importing countries compete in ad valorem tax, while the capital exporting countries compete in unit tax.”		X
248	2016	Ogawan H, Oshiro J & Saro Y	Capital mobility-resource gains or losses? How, when and for whom	“This paper investigates which of the two types of countries-resource-rich or resource-poor-gains from capital market integration and capital tax competition. We develop a framework involving vertical linkages through resource-based inputs as well as international fiscal linkages between the two types of countries. Our analysis shows that capital market integration causes capital flows from resource-poor to resource-rich countries and improves global production efficiency. However, such gains accrue only to resource-poor countries, and capital mobility might even negatively affect resource-rich countries. Furthermore, we show that resource-rich countries can exploit the gains when taxes on capital are available.”		X
249	2009	Ogawa H & Wildasin D E	Think locally, act locally: spillovers, spillbacks and efficient decentralized policymaking	“We analyse models with interjurisdictional spillovers among heterogeneous jurisdictions, such as CO & 2082; emissions that affect the global environment. Each jurisdiction's emissions depend upon the local stock of capital, which is interjurisdictional mobile and subject to local taxation. In important cases, decentralized policymaking leads to efficient resource allocation, even in the complete absence of corrective interventions by higher-level governments or coordination of policy through Coasian bargaining. In particular, even when the preferences and production technologies differ among the agents, the decentralized system can result in globally efficient allocation.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
250	2005	Park H & Philippopoulos A	Dynamic fiscal policies and endogenous growth	"This paper studies the dynamic properties of an endogenous growth model in which government consumption and production services are financed by capital taxes. I generalize the existence and its stability property of commitment Ramsey equilibria when government spending is productive and taxation is distortionary. I then establish a sufficient condition for uniqueness of the (positive) balanced growth path and determinacy of transitional dynamics. The same sufficient condition ensures growth convergence in Barrow-type endogenous fiscal policies. This modelling approach can be used by a large class of endogenous growth models which allow for market imperfections and optimal policies. In particular, a few implications for main results are discussed on economic integration."		X
251	2001	Perroni C & Scharf K A	timeout with politics: capital tax competition and constitutional choices	"This paper examines how capital tax competition affects jurisdiction formation. We describe a non-cooperative locational model of public goods provision choices, where the levels of taxation and the local public good varieties provided within jurisdictions are selected by majority voting, and where equilibrium jurisdictions consist of consumers with similar tastes. We show that interjurisdictional tax competition results in an enlargement of jurisdictional boundaries, and, even in the absence of interjurisdictional transfers, can raise welfare for all members of a jurisdiction."		X
252	1992	Persson T & Tabellini G	The politics of 1992: fiscal policy and European integration	"The internal market in Europe will greatly increase the international mobility of resources. How will this affect fiscal policy in different countries? We consider taxation of capital in a two-country model, where a democratically-chosen government in each country chooses tax policy. Higher capital mobility changes the politico-economic equilibrium in two ways. On the one hand, it leads to more tax competition between the countries: this "economic effect" tends to lower tax rates in both countries. On the other hand, it alters voters' preferences and makes them elect a different government: this "political effect" offsets the increased tax competition, although not completely."		X
253	2015	Petchey J	Environmental standards in large open economy	"The small-country price-taking assumption of Oates and Schwab is relaxed to consider a large open economy that can influence its net capital return. This creates an incentive for the country to distort its policies. The key question asked is whether this induces inefficient outcomes. The result is that if the country has a dedicated tax on capital and uses this tax optimally, the Oates and Schwab first-best result still holds. However, efficiency in a large open economy requires that the tax on capital be nonzero, unlike Oates and Schwab where the capital tax must be zero for first-best efficiency."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
254	2016	Peterman W B	The effect of endogenous human capital accumulation on optimal taxation	"This paper considers the impact of learning-by-doing on optimal tax policy in a general equilibrium heterogeneous agent life-cycle model. Analytically, it identifies two main channels by which learning-by-doing alters the optimal tax policy. First, learning-by-doing creates a motive for the government to use age-dependent labour income taxes. If the government cannot condition taxes on age, then a capital tax or progressive/regressive labour income tax can be used in order to mimic age-dependent taxes. Second, a progressive/regressive labour income tax is potentially more distortionary in a model with learning-by-doing since the distortion is propagated through the additional intertemporal link between current labour and future human capital. Quantitatively, I find that both of these channels are important for the optimal tax policy. Adding learning-by-doing leads to a notably flatter optimal labour income tax due to the second channel. Moreover, including learning-by-doing causes an increase in the optimal capital tax due to the first channel. I find that when solving for the optimal tax policy in the learning-by-doing model, the welfare consequences of not accounting for endogenous human capital accumulation are equivalent to around one percent of expected lifetime consumption, a majority of which are due to adopting too progressive of a tax policy."		X
255	2009	Petrucci A & Phelps E S	Two-sector perspective on the effects of payroll tax cuts and their financing	"This paper analyses the consequences of lifting from labour some of the burden of taxation in a life-cycle two-sector setup where a consumption good is produced alongside a capital good. The analysis focuses on the implications of alternative ways of financing payroll tax cuts in closed and small-open neoclassical economies. In our models payroll tax cuts do not necessarily stimulate hours worked in the stationary state. We show, for example, that in the closed economy -paradoxically- long-run aggregate labour hours and the capital stock will be reduced if labour tax proceeds are replaced by capital taxation. If instead government purchases of the capital good (or government labour services) are decreased, man-hours are left unchanged in the long-run, while capital formation is spurred. In the small-open economy it is only if the offsets are a fall in entitlement spending or a rise in the wealth tax that aggregate man-hours are increased -otherwise steady state hours worked are invariant."		X
256	1983	Praet P	Inflation induced wealth tax in Belgium	Not available	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
257	2014	Profeta P, Scabrosetti S & Winer S L	Wealth transfer taxation: an empirical investigation	"Systems of the G7 countries-Canada, France, Germany, Italy, Japan, the UK, and the US-over the period from 1965 to 2009. Our model emphasizes the influences of population aging and of the stock of household wealth in an explanation of the past and likely future of this tax source. Simulations with the model using U.N. demographic projections and projections of household wealth suggest that even in France and Germany where reliance on wealth transfer taxation has been increasing for part of the period studied, wealth transfer taxes can be expected to wither away as population aging deepens over the next two decades. Our results indicate that recent tax designs that rely upon the taxation of wealth transfers to preserve equity in the face of declining taxation of capital incomes may be, in this respect, politically infeasible for the foreseeable future. We conclude by using the case of wealth transfer taxation to raise the general question of the extent to which the consistency of a proposed reform with expected political equilibria ought to play a role in the design of a normative policy blueprint."	I	
258	2011	Rab H & Anjun S	Financial interest causing problems of monetary transmission as evaluated by the Islamic alternative	Not available		X
259	1981	Raman S S	Taxation of property	Not available	I	
260	2004	Razin A, Sadka E & Swagel P	Capital taxation under majority voting with aging population	"An old person typically has a mixed attitude toward the welfare-state benefits, when they are financed by capital taxes, because her income derives mostly from capital. We develop a majority-voting model which focuses on the effect of aging on this dilemma. Surprisingly, the theory predicts that tax rates on capital income could actually rise as the population ages, even though older individuals would be expected to own more capital than the young and thus vote against higher taxes. We then confront the key prediction of the model with panel data for ten European Union countries, over the period 1970-1996. We investigate the asymmetric effect of aging on the taxation of capital and labour. The implications of the model are shown to be consistent with panel data."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
261	2014	Redoano M	Tax competition among European countries: does EU matter?	"This paper provides a simple theoretical model of capital tax competition between countries that differ in spatial location, and where cross-border investment costs are proportional to distance (a gravity model). We model EU membership as a reduction in 'distance' between countries. Precise predictions about reaction functions' intercepts and slopes are derived. In particular we find that joining the Union lowers the intercept and that all countries react more to member countries than they do to non-members. These predictions are largely confirmed using a panel data set of statutory corporate tax rates on Western European countries."		X
262	2011	Reis C	Entrepreneurial labour and capital taxation	"This paper considers a Ramsey model of linear taxation for an economy with capital and two kinds of labour. If the government cannot distinguish between the return from capital and the return from entrepreneurial labour, then there will be positive capital income taxation, even in the long run. This happens because the only way to tax entrepreneurial labour is by also taxing capital. Furthermore, under fairly general conditions, the optimal tax on observable labour income is higher than the capital tax, although both are strictly positive. Thus, even though both income taxes are positive, imposing uniform income taxation would lead to additional distortions in the economy."		X
263	2012	Reis C	Social discounting and incentive compatible fiscal policy	"This paper considers a representative agent model of linear capital and labour income taxation in which the government cannot commit ex-ante to a sequence of policies for the future. In this setup, if the government is more impatient than the households, the capital income tax will be positive in steady state. Thus, impatience and lack of commitment are able to generate positive capital taxes in the long run, although each of these characteristics individually was not. Furthermore, the steady state to which the economy converges is independent of initial conditions."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
264	2013	Reis C	Taxation without commitment	"This paper considers a Ramsey model of linear capital and labour income taxation in which a benevolent government cannot commit ex-ante to a sequence of policies for the future. In this setup, if the government is forced to keep budget balance in every period, then it may not be able to sustain zero capital taxes in the long run, as shown in Benhabib and Rustichini (J Econ Theory 77:231-259, 1997) and Phelan and Stachetti (Econometrica 69:1491-1518, 2001). However, (Dominguez in J Econ Theory 135:159-170, 2007) shows that if the government is allowed to borrow and lend to households, the optimal capital income tax still converges to zero in the long run, as long as the value of defaulting is independent of the level of government debt. This paper provides a game theoretic setup with government debt where the value of the worst equilibrium only depends on the initial level of capital and can be determined in advance. This implies that under our assumptions the best sustainable equilibrium has zero capital taxes in the long run, even in the absence of government commitment."		X
265	2011	Riscado, S. M., Stančík, J. & Välilä, T	Macro-fiscal volatility and the composition of public spending	"Earlier empirical literature has examined some long- and medium-term aspects of macro-fiscal volatility while leaving its short-term fiscal impact unexplored. To help fill that gap, we examine the impact of macro-fiscal volatility on the composition of public spending. To that end, we analyse a panel of 10 EU countries during 1991 & 2013; 2007. Our results suggest that increases in the volatility of regularly-collected and cyclical revenues such as the VAT and income taxes tend to tilt the expenditure composition in favour of public investment. In contrast, increases in the volatility of ad hoc taxes such as capital taxes tend to favour public consumption spending, albeit only a little. We interpret such volatility innovations as conveying news to the fiscal policymaker about the underlying economic conditions, with especially regularly-collected and cyclical taxes prompting short-term cyclical fine-tuning."		X
266	1989	Robinson B	Reforming the taxation of capital gains, gifts and inheritances	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
267	2009	Roine J & Waldenstrom D	Wealth concentration over the path of development: Sweden, 1873-2006	“We study wealth concentration in Sweden over 130 years, from the beginning of industrialization until the present day. Our series are based on new evidence from estate and wealth tax data, foreign and domestic family firm-wealth, and pension wealth estimates. We find that Swedish wealth concentration was high in the agrarian state, and changed little during early industrialization. From World War I until about 1950, the richest percentile lost ground to high-income earners in the rest of the top-wealth decile. This equalization continued Postwar; the entire top decile lost-out relative to the rest of the population. Around 1980, wealth compression stopped and inequality increased. We approximate the effects of international flows and find that the recent increase in wealth inequality is probably larger than what official estimates suggest.”	I	
268	2007	Romalis J	Capital tax, trade costs, and the Irish miracle	“This paper uses detailed international trade data to examine whether the rapid growth of Ireland in the 1990s and its accompanying substantial increase in trade in goods and services might have been spurred by an interaction of low taxation of capital and declining international trade costs. Both tariffs and other trade costs for an important class of goods and services have declined to very low levels in the 1990s, while the expansion of foreign direct investment worldwide in that period suggests a great drop in technological and policy barriers to managing international production. The decline in trade costs has profound effects on small economies that also levy low levels of capital taxation. Such economies exhibit a great increase in the production and export of products that have high capital intensity. This implication receives strong support in detailed trade data. The expansion of such modern, high labour-productivity sectors has been identified as an important recent feature of Irish growth.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
269	2009	Rosser Jr J B & Rosser M V	Post Hayekian socialism ala burczak: observations	"Burczak (Socialism after Hayek, Ann Arbour: University of Michigan Press, 2006) presents a proposed form of stakeholder socialism to overcome the critique by Hayek of Marxist socialist systems. This involves financing the beginning of worker-owned and managed cooperatives through a wealth tax, with a generous social safety net, within a market economy in a democratic political system with civil liberties. While such a system may overcome worker alienation, avoid many of the informational and incentive-based inefficiencies identified by Hayek, and have some special efficiencies of its own, it will likely suffer from the financing problems most cooperatives face within predominantly market capitalist economies as they try to grow larger. The most likely location for an effort at such a system might be in a smaller country that has had some experience with workers' management, such as the former Yugoslav republic of Slovenia."		X
270	2013	Saez E	Optimal progressive capital income in the infinite horizon model	"This paper analyses optimal progressive capital income taxation in an infinite horizon model where individuals differ only through their initial wealth. We consider progressive capital income tax schedules taking a simple two-bracket form with an exemption bracket at the bottom and a single marginal tax rate above a time varying exemption threshold. Individuals are taxed until their wealth is reduced down to the exemption threshold. The fraction of individuals subject to capital income taxation vanishes to zero in the long-run in analogy to the zero long-run capital tax result of Chamley and Judd with optimal linear taxes. However, in contrast to linear taxation, optimal nonlinear capital taxation can have a drastic impact on the long-run wealth distribution. When the intertemporal elasticity of substitution is not too large and the top tail of the initial wealth distribution is infinite and thick enough, the optimal exemption threshold converges to a finite limit. As a result, the optimal tax system drives all the large fortunes down a finite level and produces a truncated long-run wealth distribution."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
271	2014	Sanadaji T	The international mobility of billionaires	“This paper uses data from Forbes Magazine’s list of billionaires, supplemented with other publicly available information, to study the migratory behaviour of the very rich. Billionaires are more likely to move to countries that share a language and a culture with their country of birth and to countries with larger markets, higher incomes, and lower capital taxes. In total, only 15 % of self-made billionaires—almost all of whom are entrepreneurs—migrated to another country. One explanation for the modest rate of migration may be the country-specificity of entrepreneurs’ human capital. Eight out of ten migrants select a destination country with higher per capita income than that of their birth country, and seven out of ten move to a country with lower capital taxes.”		X
272	1993	Sangunetti P J	The politics of intergovernmental transfers and local government deficits: theory and evidence	“The purpose of this paper is twofold. First, we present a model of decentralized fiscal policymaking where a "coordination failure" problem arises. Second, we make an effort in order to empirically test this approach by developing an empirical investigation based on the recent experience of two countries: Argentina and Great Britain.”		X
273	2008	Saveyn B & Proost S	Energy tax reform with vertical externalities	“The paper is a general equilibrium analysis of an energy-tax reform in a federation, measuring the welfare effects and the vertical tax externalities. Vertical tax externalities may arise when two government levels impose taxes on common tax bases. We show how the magnitude and sign of the vertical externality depend on the environmental goal, the tax-recycling scenario, the initial local and federal tax shares, and the size of the federation. Simulations illustrate the effects for a small European federation (e.g., Belgium) and a large federation (e.g., the U.S.).”		X
274	2001	Scharf K A	International capital tax evasion and the foreign tax credit puzzle	“In this paper we examine how the presence of international tax evasion affects the choice of a foreign tax credit by a capital exporting region. Since the credit raises the opportunity cost of concealing foreign source income, it can be employed to discourage evasion activity. International tax evasion can thus help to rationalize the adoption of a tax credit in excess of a deduction-equivalent rate. JEL Classification: H21, H26.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
275	2007	Schwarz P	Does capital mobility reduce the corporate-labour tax ration	“Previous empirical studies have shown that there is only a small negative (if any) effect of capital mobility on the corporate tax burden. Using data for up to 20 OECD countries in the period 1979—2000 this paper tries to investigate a less rigid hypothesis: Although capital taxes have not substantially declined in the last twenty years the relative burden of corporate to labour taxes may have fallen due to capital mobility. The results suggest that capital mobility has a weak negative impact on the corporate-labour tax ratio. Other factors however, i.e. the size of the country or the share of investment expenditures are more important in explaining the relative tax burden than capital mobility.”		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
276	2011	Seetanah B & Rojid S	The determinants of FDI in Mauritius: a dynamic time series investigation	“Purpose – The purpose of this paper is to supplement the literature on the determinants of foreign direct investment (FDI) by bringing new evidences for the case of a successful FDI recipient country in Africa, namely Mauritius. Design/methodology/approach – The determinants of FDI are examined by specifying a reduced-form specification for a demand for inward direct investment function, and by making use of a dynamic framework. In the absence of integration, a differenced vector autoregressive (DVAR) model is used to capture the short-run dynamics of the growth rate of the different specified variables. Findings – The most instrumental factors appear to be trade openness, wages and the quality of labour in the country. Size of the market is reported to have a relatively lesser impact on FDI, probably related to the limited size of the population and the domestic market on the one hand and the good export opportunities from Mauritius on the other. The significant coefficient of the lagged dependent variable suggests the presence of dynamism in the system. Research limitations/implications – The paper is based mainly on the case study of a single country and therefore, imposes limitations on the generalizability of some of the findings to the region. As such, availability of a longer time series would have been better. Practical implications – Research findings suggest that in addition to giving fiscal investment incentives, the government should also ensure that labour costs remain competitive and do not increase relatively faster than other FDI recipient countries. Moreover, the state should realize that labour cost alone is not a stand-alone ingredient and that productivity of workers remains a big challenge. As such, adoption of appropriate but prudent measures in further opening up of the economy to international trade remains an interesting avenue given the limited potential for foreign direct investors. Originality/value – An overwhelming number of studies have focused on samples of developed countries with relatively very few works conducted on the determinants of FDI to Africa. This paper attempts to supplement the related literature and additionally uses rigorous time series analysis to model the dynamism in FDI modelling, an element largely ignored by past studies.”		X
277	1966	Shoup C S	Taxes and economic development	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
278	2017	Silva E C D	Tax competition and federal equalization schemes with decentralized leadership	"Regional governments compete by setting capital taxes in anticipation of the central government's fiscal equalization and income redistribution policies. I start by demonstrating that the constrained socially optimal allocation satisfies the Pareto efficient conditions; therefore, it may be first best. It is also shown that the subgame perfect equilibrium for the game played by regional and central governments is socially optimal. The anticipation of equalization of marginal utilities of public consumption and equalization of marginal utilities of private consumption provides regional governments with correct incentives in the setting of capital taxes, preventing the phenomenon known as "race to the bottom."		X
279	2016	Snudden S	Cyclical fiscal rules for oil-exporting countries	"Budget-balance tax-gap rules are preferred to other fiscal policy rules to stabilize the macroeconomic volatility and welfare in oil-exporting countries. The output-inflation trade-off is of particular concern for oil exporters relative to non-oil commodity exporters due to the pass through of oil prices into headline inflation which warrants fiscal reaction to crude oil revenue. This result is robust to several instruments satisfying the rule but with reduced efficiency for those instruments that impact potential output such as government investment and capital taxes. These rules are desirable for fixed exchange rate regimes but are unable to achieve the same degree of stability as when coordinated with inflation-targeting monetary policy. Even under optimal inflation-targeting regimes, the adoption of budget-balance tax-gap rules can produce reductions in macroeconomic volatility and welfare gains.'		X
280	1994	Soldatos G	An analysis of the conflict between underground economy and tax evasion	"This paper investigates the relationship between the underground economy and tax evasion through a microeconomic model based on portfolio theory. The underground economy is assumed to be the result of bureaucracy, excessive regulation, and tax evasion. The main conclusion of the analysis is that there may exist & 201c; only tax evasion & 201d; or & 201c; only underground economy& 201d; These two extreme cases pinpoint to a conflict, to a trade-off, between these two phenomena. That is, tax evasion and the incentive to & 201c; go underground& 201d; are found to be inversely related. Progressive income and wealth taxation, improved tax administration, and policy measures that enhance the return on investment in the official economy, emerge as some of the policy instruments that could be used against both the underground economy and tax evasion."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
281	2005	Spithiven A H G M	Distribution of income and the structure of economy and society	"Purpose – Many economists and politicians have declared the price mechanism to be the most effective coordination mechanism. On the contrary, the economic perspectives at the beginning of the twenty-first century reveal that an increase in the supply of products does not necessarily engender an increasing demand. That is why more and more economists agree that every society not only can, but also must, choose the combination of coordination mechanisms that are most appropriate under its specific conditions. Design/methodology/approach – Economic development and growth are approached as being dependent on the development of society and vice versa. The empirical relation between economic openness of a country and the structure of its industrial relations is analysed in relation to different economic outcomes. Special attention is paid to the question whether a policy to engender smaller income differentials does or does not provide a positive drive for the structural change towards a modern information technology-based economy. Findings – Although some authors argue that smaller income differentials coincide with lower productivity rates, this study reveals that there is no such trade-off. Different sets of coordinating mechanisms determine economic performance. The market mechanism is therefore not the overriding force determining economic development. On the contrary, income and education seem to be two drivers of the sectoral shift to an ICT-based service economy. Originality/value – Different sets of coordination mechanisms seem to support the same economic performance. This implies that governments should once again take responsibility for structuring the economy and society – that is to enforce a system of reliable justice for the vast majority of citizens."		X
282	2005	St, Xf & Whase S	Asymmetric capital tax competition with profit shifting	"This paper analyses capital tax competition between jurisdictions of different size when multinational firms can shift some fraction of their tax base between them. For the case of revenue maximizing governments, we show that introducing profit shifting will not generally increase downward pressure on tax rates. We find that profit shifting decreases the tax-base sensitivity of the low tax jurisdiction while increasing the sensitivity of the high tax jurisdiction. Tax rates will converge as a result of additional profit shifting opportunities. This will be the case even though in general equilibrium tax rates in both jurisdictions may decrease or increase."		X
283	1964	Stewart M	Dr. Balogh's note on wealth tax: a comment	Not available	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
284	1969	Stiglitz J E	The effects of income. Wealth and capital gains taxation on risk-taking	"I. Introduction, 263.--II. The basic model and some behavioural hypotheses, 264. --III. Wealth tax, 269.--IV. Income taxation, 270.--V. Special treatment of capital gains, 274.--VI. No loss offset, 275.--VII. Welfare implications, 279."	I	
285	2002	Stokey N L	"Rules vs discretion" after twenty-five years	"Two models of government policy are presented. In the first the choice of an instrument for conducting monetary policy is analysed. The ease of observing policy under an exchange-rate regime is shown to confer an advantage on it compared with a regime that targets the money growth rate. In the second a discretionary fiscal regime is compared with one that mandates a simple policy rule restricting capital taxation. The discretionary regime is preferred under a Ramsey government, but the rule confers an advantage if the type of government is uncertain and the probability of a myopic administration is high enough."		X
286	1998	Strick J C		Not available		X
287	2012	Strulik H & Trimborn T	Laffer strikes again: dynamic scoring of capital taxes	"We set up a neoclassical growth model extended by a corporate sector, an investment and finance decision of firms, and a set of taxes on capital income. We provide analytical dynamic scoring of taxes on corporate income, dividends, capital gains, other private capital income, and depreciation allowances and identify the intricate ways through which capital taxation affects tax revenue in general equilibrium. We then calibrate the model for the US and explore quantitatively the revenue effects from capital taxation. We take adjustment dynamics after a tax change explicitly into account and compare with steady-state effects. We find, among other results, a self-financing degree of corporate tax cuts of about 70-90% and a very flat Laffer curve for all capital taxes as well as for tax depreciation allowances. Results are strongest for the tax on capital gains. The model predicts for the US that total tax revenue increases by about 0.3-1.2% after abolishment of the tax."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
288	1976	Suleman R M	Employment, income distribution and social justice	"We set up a neoclassical growth model extended by a corporate sector, an investment and finance decision of firms, and a set of taxes on capital income. We provide analytical dynamic scoring of taxes on corporate income, dividends, capital gains, other private capital income, and depreciation allowances and identify the intricate ways through which capital taxation affects tax revenue in general equilibrium. We then calibrate the model for the US and explore quantitatively the revenue effects from capital taxation. We take adjustment dynamics after a tax change explicitly into account and compare with steady-state effects. We find, among other results, a self-financing degree of corporate tax cuts of about 70-90% and a very flat Laffer curve for all capital taxes as well as for tax depreciation allowances. Results are strongest for the tax on capital gains. The model predicts for the US that total tax revenue increases by about 0.3-1.2% after abolishment of the tax."		X
289	1973	Szakolczai G	Capital taxes, self-financing and capital transfer	"The size of capital taxes or charges on assets, i. e. the rate of normative return requirements or the accounting price of capital has been one of the central issues in the debate concerning the further development of the system of financial control of the economy. The present article summarizes the practical consequences of theoretical findings expounded elsewhere, i. e. of the theory that the rate of capital charge should equal the growth rate. This leads directly to the conclusion that the optimal rate of interest equals the rate of capital charges, that those charges are to be calculated after the net value of these assets, and that the funds accumulating in this way represent the main source of net investments. It can also be proved that the requirements of optimality and stability can only be ensured by some special taxes regulating the use of the accumulated funds of the enterprises for investment purposes."		X
290	1967	Tanabe N	The taxation of net wealth	Not available	I	
291	1972	Thompson E A	The taxation of wealth and the wealthy	Not available	I	
292	1992	Thompson H	Production and trade with international capital movements and payments	Not available		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
293	2013	Tomasik R	Time zone-related continuity and synchronization effects on bilateral trade flows	"This paper finds the first empirical evidence of the time zone-related continuity effects on international trade. Several recent studies in the fragmentation/distance literatures provide theoretical justification for both positive (continuity) and negative (synchronization) effects of increased time zone differences on global export flows. This paper explicitly tests for the presence of both effects using bilateral manufacturing and service trade for 20 countries and 56 partner countries from 2000 to 2008. Results consistent with the theoretical expectations are found using a Poisson pseudo-maximum likelihood estimator. The general time zone difference effect on total exports is negative, suggesting the synchronization effect dominates. However, for services trade, the positive continuity effect is noted, indicating that time zones affect manufacturing and service trades differently. These results are robust to changes in the time zone, distance, and language measures, as well as alternate estimation techniques."		X
294	2015	Traum N & Yang S C S	When does government debt crowd out investment?	"We examine when government debt crowds out investment for the US economy using an estimated New Keynesian model with detailed fiscal specifications and accounting for monetary and fiscal policy interactions. Whether investment is crowded in or out in the short term depends on policy shocks triggering debt expansions: higher debt can crowd in investment for cutting capital tax rates or increasing government investment. Contrary to the conventional view, no systematic relationships between real interest rates and investment exist, explaining why reduced-form regressions are inconclusive about crowding out. At longer horizons, distortionary financing is important for the negative investment response to debt."		X
295	1992	Turnovsky S J	Alternative forms of government expenditure financing: a comparative welfare analysis	"This paper derives criteria for evaluating the impact of an increase in government expenditure on both the time path of instantaneous utility and overall welfare, under alternative forms of tax financing. These consist of three factors. The first is the direct crowding-out effect, which reflects the utility differential between the government expenditure being undertaken and the private consumption it is displacing. The second describes the intertemporal trade-off between the effect on the short-run rate of capital accumulation and the resulting change in the long-run capital stock. The final term is due to the distortion arising from the pre-existence of a tax on wage income."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
296	1967	Ved P G	Taxation and personal savings	"Personal savings constitute the major part of savings in India. For this reason the thesis that direct taxes in India inhibit the growth of personal savings needs to be closely examined. What in fact is the combined effect of the income tax, the wealth tax and the expenditure tax on the personal savings of the wealthy? Is there a case for lowering the maximum rates of direct taxes on the rich in the interests of increasing savings for economic development? Further, is there a case for a statutory ceiling on the individual's direct tax liability?"	I	
297	1972	Ved P G	Dissecting the tax structure: a comment	Not available		X
298	2013	Vogel L, Roeger W & Herz B	The performance of simple fiscal policy rules in monetary union	'The paper analyses the stabilising potential of simple fiscal policy rules for a small open economy in monetary union in a 2-region DSGE model with nominal and real rigidities. We consider simple fiscal instrument rules for government purchases, transfers, and consumption, labour and capital taxes in analogy to interest rate rules in monetary policy. The paper finds a dichotomy in the welfare effects of fiscal policy for liquidity-constrained and intertemporal optimising households, i. e. policies enhancing the welfare of one group tend to reduce the welfare of the other one. The moderate average welfare gains from optimal policy contrast with potentially large welfare losses from non-optimal policy. Fiscal rules that respond to employment fluctuations may be preferred to fiscal rules responding to indicators of price competitiveness, because optimal policy corresponds more closely to the idea of countercyclical stabilisation in the former case. The simulations also emphasise the crucial impact of the budgetary closure rule on the welfare consequences of fiscal business-cycle stabilisation."		X
299	2012	Watanabe S	The role of technology and non-technology shocks in business cycle	"This article proposes a method to identify technology and nontechnology shocks that permanently affect labour productivity and applies this method to data for the G7 countries. In most cases, whereas technology improvements have negative or weak effects on hours worked, positive permanent nontechnology shocks are expansionary. Permanent nontechnology shocks play an important role in business cycles, particularly in the United States and Japan, and account for 71% of a large reduction in Japan's detrended output from 1991 to 2002. Credit conditions are likely to be an important driver of variations in permanent nontechnology shocks."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
300	2006	Wehke S	Tax competition and partial coordination	"To determine the welfare effects of tax coordination, it is often assumed that one tax is jointly increased and all other policy instruments are held constant. This paper, in contrast, analyses partial coordination in the sense that each country can still adjust another tax, which is not subject to coordination. In a model with capital and labour taxation, we show that under plausible assumptions the welfare effect of coordinating the capital tax only is then still nonnegative. For a partial coordination of the labour tax, however, the results become ambiguous and depend on the labour-supply elasticity."		X
301	2008	Wehke S	Fighting tax competition in the presence of unemployment: complete versus partial tax coordination	"We analyse the welfare consequences of tax coordination agreements that cover taxes on mobile capital and on immobile labour. In doing so, we take into account two important institutional details. First, we incorporate decentralized wage bargaining, giving rise to involuntary unemployment. Second, we distinguish between complete tax coordination, which effectively covers both tax instruments, and the more plausible case of partial tax coordination, where one tax is marginally increased by all countries, while the other tax rate can still be freely chosen by all countries. It is shown that complete tax coordination remains welfare-enhancing in the presence of unemployment. In contrast, for partial tax coordination, the welfare effect becomes ambiguous and is different to the case of competitive labour markets."		X
302	1973	Wisman J D & Sawaers L	Wealth taxation for the united states	Not available	I	
303	1997	Wrede M	Competition and federalism: the under provision of local public goods	"In this paper, a simple model of capital tax competition is employed to examine the provision of local public goods by competing federations. If federations compete with each other, both horizontal and vertical externalities arise. First, it is shown that even competing federal systems will underprovide local public goods. Second, dividing the power to tax and to spend between different levels of government reduces the tendency to underprovide residential public services."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
304	2014	Wrede M	Agglomeration, tax competition, and fiscal equalization	"This paper analyses the impact of fiscal equalization on asymmetric tax competition when positive agglomeration externalities are present. It uses a model focusing on the strategic reason for capital taxes to demonstrate that per capita fiscal capacity equalization improves the spatial allocation of capital provided a sufficiently rich (marginally) larger region and sufficiently strong agglomeration externalities. If tax revenue is used to finance public goods, per capita fiscal capacity equalization generally cannot simultaneously eliminate public good inefficiency and spatial inefficiency. However, the achievement of full efficiency for ex ante identical regions requires excessive (full) equalization in the presence (absence) of agglomeration externalities."		X
305	2002	Xe & Raud D	Transmisiion internationale	"In a two-country model where indebted country has a limited access to world capital market, a dynamic analysis of the international transmission of government expenditure is presented. More specifically, we study and compare the impacts of an increase in government expenditure in the creditor country. Alternative methods of finance are presented: a tax on labour income and a tax on capital income (source based or residence based). When capital taxes are source based or when income labour is taxed, an increase in domestic government expenditure yields a recession in both the short-run and the long-run levels of domestic activity. Activity abroad expands in the short run. When capital taxes are residence based, activity declines in the two countries. The welfare implications of these policies are also examined."		X
306	2000	Rensen P B, Bacchetta P & Jullien B	The case for international tax co-ordination reconsidered	'In a world of high capital mobility, governments may be tempted to undercut each other's capital income taxes to attract capital from abroad. Since such tax competition may have detrimental effects for all countries, European policy makers have debated the introduction of a minimum capital income tax rate within the EU. This paper develops an applied general equilibrium model to estimate the effects of such tax co-ordination on resource allocation, income distribution and social welfare. The model allows for the concern of policy makers that a rise in capital taxes within the EU may cause a capital flight out of Europe. Capital flight will indeed reduce the welfare gain from tax co-ordination within Western Europe, but a positive net gain will remain, although it is likely to be well below 1% of GDP. The gain from co-ordination will be unevenly distributed across European countries, due to differences in economic structures and in the social preference for redistribution. Moreover, even if the median voter's gain from tax co-ordination may be small, the gains for the poorer sections of society may be quite large."		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
307	2013	Yilmaz E	Competition, taxation and economic growth	"The paper mainly examines the relationship between economic growth, tax policy and sectoral labour distribution in an endogenous growth model with expanding varieties. For analysing these relationships, we consider an economy where three sectors of production are vertically integrated: final goods sector, intermediate goods sector and research sector. We show that the extent of imperfect competition in the intermediate products market affects both economic growth and the allocation of the available labour to all the sectors employing this input. The resources from capital taxation, which are used for financing research sector, have a U-shaped effect on growth and lead to a movement of the labour from research sector to final goods sector. Additionally, we show that if there exists a higher competitive structure in an economy, the probability of the positive effect of an increase in tax on growth gets higher."		X
308	2016	Zhou G	The spirit of capitalism and rational bubbles	"This study provides an infinite-horizon model of rational bubbles in a production economy. A bubble can arise when the pursuit of status is modelled explicitly, capturing the notion of the spirit of capitalism. Using a parameterized model, I demonstrate the specific conditions for the existence of bubbles and their implications. Bubbles crowd out investment, stimulate consumption, and slow economic growth. I also discuss a stochastic bubble that bursts with an exogenous probability. I show that there could be multiple stochastic bubbly equilibria. Moreover, I suggest that taxing wealth properly can eliminate bubbles and achieve the social optimum."		X
309	2010	Zodrow G R	Capital mobility and capital tax competition	"This paper surveys the literatures on two questions that are essential to the discussion of mobility and taxation that is the focus of this special issue of the National Tax Journal. First, it examines the extent to which capital is mobile internationally, focusing on empirical evidence on the tax sensitivity of foreign investment, the incidence of the corporate income tax, and savings-investment correlations. Second, it considers the extent to which the mobility of capital has resulted in interjurisdictional capital tax competition, drawing on the theoretical tax competition literature, empirical evidence on corporate income tax rates, the strategic tax competition literature, and the relatively new literature examining interjurisdictional competition in the form of allowing tax avoidance.'		X

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
310	2014	Zodrow G R	Interjurisdictional capitalization and the incidence of the property	“Two views dominate the debate about property tax incidence - the "capital tax" or "new" view, under which the tax distorts capital allocation and is borne primarily by capital owners, and the "benefit tax" view, under which the tax is an efficient user charge. Evidence of both interjurisdictional and interjurisdictional capitalization of property taxes and public services has been argued to provide compelling evidence for the benefit tax view. This paper focuses on the latter - the intra-jurisdictional capitalization effects that underlie what is arguably the most plausible derivation of the benefit tax view of the property tax. The analysis provides a model in which the capital reallocations that characterize the capital tax view induce interjurisdictional capitalization effects that are generally similar - indeed, in the benchmark case, identical - to those that arise under the benefit tax view, suggesting that empirical evidence supporting such capitalization effects cannot distinguish between the two views. In addition, the analysis shows that these capitalization effects imply that even under the stringent assumptions of the benefit view, the property tax is not a benefit tax for a property-tax-financed increase in local public services; rather, it only becomes a benefit tax for future home purchasers.”		X
311	2014	Zubairy S	On fiscal multipliers: estimates from a medium scale DSGE model	“This article contributes to the debate on fiscal multipliers, in the context of an estimated dynamic stochastic general equilibrium model, featuring a rich fiscal policy block and a transmission mechanism for government spending shocks. I find the multiplier for government spending to be 1.07, which is largest on impact. The multipliers for labour and capital tax on impact are 0.13 and 0.34, respectively. The effects of tax cuts take time to build and exceed simulative effects of spending by 12-20 quarters. I carry out counterfactual exercises to show how alternative financing methods and expected monetary policy have consequences for the size of fiscal multipliers”		X
312	2000	Shakow D & Schuldiner R	A comprehensive wealth tax	Not available	I	
313	1992	Verbit G P	France tries a wealth tax	Not available	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
314	2016	Shakow D J	A wealth tax: taxing the estates of the living	"It has now been one hundred years since the passage of the first estate tax, and since that time the size and complexity of the federal tax system has only continued to grow. In the face of that complexity it is worthwhile for the United States to begin considering alternatives. Do we continue with our system of income and consumption taxation, or do we turn to a wealth tax? A wealth tax is sometimes criticized as being too complex, but there are reasons to suggest it is no more complex than our current system—and possibly even less complex. When analysed, the main source of contention—valuation—is not actually as onerous as it seems. A wealth tax of about 1.6% may ultimately engender little opposition from taxpayers. Accordingly, this Article argues that the merits of a wealth tax are worth considering, and its drawbacks not insurmountable."	I	
315	1977	Isaacs B L	Do we want a wealth tax in America	"The author examines the arguments for and against a tax on individual's wealth, and conclude that the economic and administrative detriments of such a tax would outweigh the benefits."	I	
316	2006	Kaufmann J	Is an income tax a wealth tax	Not available	I	
317	1988	Maloney M A	Distributive justice: that is the wealth tax issue	Not available	I	
318	2000	Schenk D H	Saving the income tax with a wealth tax	Not available	I	
319	2003	Richardson G, Davis A & Chan H K	The potential of a wealth tax for Hong Kong: a critical review and analysis	"Although the taxation of wealth has many advantages in theory, and its implementation has been well tested around the world, it has never represented an important element of Hong Kong's taxation system. Indeed, Hong Kong's taxation system has often been criticized as being seriously flawed when judged by several standard taxation criteria. But, it seems to have worked remarkably well in the past by raising sufficient revenue with a minimal taxation burden being placed on its citizens. Nevertheless, the disintegration of the myth of Hong Kong in recent years has opened fertile ground for the introduction of a wealth tax in Hong Kong. Both the Hong Kong government and Hong Kong taxpayers generally accept the need for taxation reform. Certainly, Hong Kong must be ready to consider aggressive taxation changes, even if they might have a significant impact on the general foundation of its taxation regime. Hong Kong should take this opportunity to introduce a wealth tax into its taxation system as a supplement to income tax in order to promote horizontal equity and vertical equity, and to also expand the taxation base."	I	

Addendum 2.4: Inclusion and exclusion criteria (continues)

#	Year published	Author	Title	Abstract	Include (I)	Exclude (X)
320	2014	Plecnik J T	The new flat tax: a modest proposal for a constitutionally apportioned wealth tax	Not available	I	
321	1995	Blatt W	The American dream in legislation: the role of popular symbols in wealth tax policy	Not available	I	
322	2000	Lehner Morris	The European experience with a wealth tax: a comparative discussion	Not available	I	
323	1985	Groenewegen P	Options for the taxation of wealth	Not available	I	
324	1991	Verbit G P	Taxing wealth: recent proposals from the united states, France and United Kingdom	Not available	I	
325	1980	Bale G	Taxing wealth: selecting a strategy	Not available	I	
326	2000	Rakowski E	Can wealth tax be justified	Not available	I	
327	1997	Hermann C	Switzerland reforms for 2000	Not available	I	
328	1989	Piggot J	Wealth taxation for Australia	Not available	I	
329	1977	Chester C R	Inheritance and wealth taxation in a just society	Not available	I	
				TOTALS	**64**	**265**

Addendum 2.5: Selection criteria

#	Year published	Author	Tittle	1. Wealth tax	2. Wealth tax implementation	3. Wealth tax abolishment	4. Wealth transfer tax	5. Capital tax	Total	Include/ Exclude
1	2009	Alvaredo F & Saez E	Income and wealth concentration in Spain from a historical and fiscal perspective.	39	0	0	0	0	**39**	Include
2	1986	Andersson E	How Swedish tax law affected Finnish income and net wealth taxation	0	0	0	0	0	**0**	Exclude
3	1971	Atkinson A B	Capital taxes, the redistribution of wealth and individual savings.	32	0	0	26	31	**89**	Include
4	1978	Atkinson A B	The concentration of wealth in Britain	8	0	0	0	0	**8**	Exclude
5	2014	Bach S, Beznoska M & Steiner V	A wealth tax on the rich to bring down public debt? Revenue and distributional effects of capital levy in Germany	18	0	0	0	1	**19**	Exclude
6	1980	Bale G	Taxing wealth: selecting a strategy	47	0	0	55	0	**102**	Include
7	1964	Balogh T	A note on wealth tax	14	0	0	0	0	**14**	Exclude
8	1991	Banting K G	The politics of wealth taxes	126	0	0	11	0	**137**	Include
9	1991	Bird R M	The taxation of personal wealth in international perspective	98	0	0	0	2	**100**	Include
10	1995	Blatt W	The American dream in legislation: the role of popular symbols in wealth tax policy	46	0	0	7	0	**53**	Include
11	2017	Bosenberg S, Egger P & Zoller-Rydzek	Capital taxation, investment, growth and welfare	0	0	0	0	98	**98**	Include

Addendum 2.5: Selection criteria (continues)

#	Year published	Author	Tittle	1. Wealth tax	2. Wealth tax implementation	3. Wealth tax abolishment	4. Wealth transfer tax	5. Capital tax	Total	Include/ Exclude
12	2010	Bretschger L	Taxes, mobile capital and economic dynamics in a globalizing world	0	0	0	0	23	23	Include
13	1957	Brown E C	Mr. Kaldor on taxation and risk bearing	0	0	0	0	10	**10**	Exclude
14	1991	Brown R D	A primer on the implementation of wealth taxes	136	0	0	11	9	**156**	Include
15	1991	Burbidge J B	The allocative and efficiency effects of wealth taxes	89	0	0	0	4	**93**	Include
16	2013	Chatalova N & Evans C	Too rich to rein in? The under-utilised wealth tax base	145	0	0	31	1	**177**	Include
17	1977	Chester C R	Inheritance and wealth taxation in a just society	60	0	0	0	0	**60**	Include
18	2001	Cnossen S & Bovenberg L	Fundamental tax reform in the Netherlands, international tax and public finance	10	0	0	0	0	**10**	Exclude
19	1991	Davies J B	The distributive effects of wealth taxes	168	0	0	0	3	**171**	Include
20	1990	Dugger W M	The wealth tax: a policy proposal	24	0	0	0	0	**24**	Include
21	2010	Duran-Cabre J M & Esteller-More A	Tax data for wealth concentration analysis: an application to Spanish wealth tax	14	0	0	0	0	**14**	Exclude
22	2017	Fernholz R T	The distributional effects of progressive capital taxes	0	0	0	0	51	**51**	Include
23	1997	Hermann C	Switzerland reforms for 2000	6	0	0	0	4	**10**	Exclude
24	1977	Isaacs B L	Do we want a wealth tax in America	137	0	0	0	0	**137**	Include
25	1974	Jakhade V M & Shetty S L	Distribution of urban household wealth in India-i: a first approximation	10	0	0	0	0	**10**	Exclude

Addendum 2.5: Selection criteria (continues)

#	Year published	Author	Tittle	1. Wealth tax	2. Wealth tax implementation	3. Wealth tax abolishment	4. Wealth transfer tax	5. Capital tax	Total	Include/ Exclude
26	1974	Jakhade V M & Shetty S L	Distribution of urban household wealth 2014: ii	20	0	0	0	1	**21**	Include
27	2001	Joulfaian D	Choosing between income tax and a wealth transfer tax	0	0	0	9	0	**9**	Exclude
28	1942	Kaldor N	The income burden of capital taxes	0	0	0	0	13	**13**	Exclude
29	2006	Kaufmann J	Is an income tax a wealth tax	38	0	0	0	0	**38**	Include
30	1991	Kessler D & Pestieau P	The taxation of wealth in the EEC: facts and trends	66	0	0	0	0	**66**	Include
31	2017	King J E	The literature on piketty	9	0	0	0	0	**9**	Exclude
32	1975	King M A	Reviewed work(s): an annual wealth tax. By c. T. Sandford, j. R. M. Willis and d. J. Ironside	23	0	0	0	3	**26**	Include
33	2005	Kocherlakota N R	Zero expected wealth taxes: a Mirrlees approach to dynamic optimal taxation	61	0	0	0	51	**112**	Include
34	1972	Krishnan T N	Taxation of property and net wealth in India: a note	47	0	0	0	2	**49**	Include
35	2011	Laeoque G	On income and wealth taxation in a life cycle model with extensive labour supply	12	0	0	0	1	**13**	Exclude
36	2000	Lehner M	The European experience with a wealth tax: a comparative discussion	479	0	0	9	20	**508**	Include

Addendum 2.5: Selection criteria (continues)

#	Year published	Author	Tittle	1. Wealth tax	2. Wealth tax implementation	3. Wealth tax abolishment	4. Wealth transfer tax	5. Capital tax	Total	Include/ Exclude
37	1984	Lindholm R W	The constitutionality of a federal net wealth: a socioeconomic analysis aimed at ending the under taxation of land	6	0	0	0	0	**6**	Exclude
38	2017	Lundberg J & Walderstrom D	Wealth inequality in Sweden: what can we learn from capitalized income tax data?	9	0	0	0	1	**10**	Exclude
39	1988	Maloney M A	Distributive justice: that is the wealth tax issue	126	0	0	1	12	**139**	Include
40	1991	Mintz J M	The role of wealth taxation in the overall system	170	0	0	0	25	**195**	Include
41	1991	Mintz J M & Pesando J E	The role of wealth taxation in Canada: an introduction	115	0	0	1	2	**118**	Include
42	2014	Plecnik J T	The new flat tax: a modest proposal for a constitutionally apportioned wealth tax	156	0	0	8	0	**164**	Include
43	1983	Praet P	Inflation induced wealth tax in Belgium	5	0	0	0	0	**5**	Exclude
44	2014	Profeta P, Scabrosetti S & Winer S L	Wealth transfer taxation: an empirical investigation	34	0	0	0	0	**34**	Include
45	2000	Rakowski E	Can wealth tax be justified	394	0	0	26	1	**421**	Include
46	2003	Richardson G, Davis A & Chan H K	The potential of a wealth tax for Hong Kong: a critical review and analysis	117	0	0	0	1	**118**	Include
47	2009	Roine J & Waldenstrom D	Wealth concentration over the path of development: Sweden, 1873-2006	41	0	0	0	0	**41**	Include

Addendum 2.5: Selection criteria (continues)

#	Year published	Author	Tittle	1. Wealth tax	2. Wealth tax implementation	3. Wealth tax abolishment	4. Wealth transfer tax	5. Capital tax	Total	Include/ Exclude
48	2000	Schenk D H	Saving the income tax with a wealth tax	205	0	0	6	0	**211**	Include
49	2000	Shakow D & Schuldiner R	A comprehensive wealth tax	316	0	0	0	0	**316**	Include
50	2016	Shakow D J	A wealth tax: taxing the estates of the living	151	0	0	0	0	**151**	Include
51	1964	Stewart M	Dr. Balogh's note on wealth tax: a comment	12	0	0	0	0	**12**	Exclude
52	1969	Stiglitz J E	The effects of income. Wealth and capital gains taxation on risk-taking	12	0	0	0	0	**12**	Exclude
53	1967	Tanabe N	The taxation of net wealth	197	0	0	0	0	**197**	Include
54	1972	Thompson E A	The taxation of wealth and the wealthy	0	0	0	0	2	**2**	Exclude
55	1989	Piggot J	Wealth taxation for Australia	53	0	0	9	1	**63**	Exclude
56	1985	Groenewegen P	Options for the taxation of wealth	95	0	0	7	0	**102**	Include
57	1992	Verbit G P	French tries a wealth tax	69	0	0	0	3	**72**	Include
58	1980	Verbit G P	Taxing wealth: recent proposals from the united states, France and United Kingdom	206	0	0	2	4	**212**	Include
59	1973	Wisman J D & Sawaers L	Wealth taxation for the united states	28	0	0	0	0	**28**	Include

Addendum 2.6: Final articles selected

#	Year published	Author	Title
1	2009	Alvaredo F & Saez E	Income and wealth concentration in Spain from a historical and fiscal perspective.
2	1971	Atkinson A B	Capital taxes, the redistribution of wealth and individual savings.
3	1991	Banting K G	The politics of wealth taxes
4	1991	Bird R M	The taxation of personal wealth in international perspective
5	1995	Blatt W	The American dream in legislation: the role of popular symbols in wealth tax policy
6	1991	Brown R D	A primer on the implementation of wealth taxes
7	1991	Burbidge J B	The allocative and efficiency effects of wealth taxes
8	2013	Chatalova N & Evans C	Too rich to rein in? The under-utilised wealth tax base
9	1991	Davies J B	The distributive effects of wealth taxes
10	1990	Dugger W M	The wealth tax: a policy proposal
11	2017	Fernholz R T	The distributional effects of progressive capital taxes
12	1985	Groenewegen P	Options for the taxation of wealth
13	1977	Isaacs B L	Do we want a wealth tax in America
14	1974	Jakhade V M & Shetty S L	Distribution of urban household wealth 2014: ii
15	1991	Kessler D & Pestieau P	The taxation of wealth in the EEC: facts and trends
16	1975	King M A	Reviewed work(s): an annual wealth tax. By c. T. Sandford, j. R. M. Willis and d. J. Ironside
17	1972	Krishnan T N	Taxation of property and net wealth in India: a note
18	2000	Lehner M	The European experience with a wealth tax: a comparative discussion
19	1988	Maloney M A	Distributive justice: that is the wealth tax issue

Addendum 2.6: Final articles selected (continues)

#	Year published	Author	Title
20	1991	Mintz J M	The role of wealth taxation in the overall system
21	2014	Plecnik J T	The new flat tax: a modest proposal for a constitutionally apportioned wealth tax
22	2014	Profeta P, Scabrosetti S & Winer S L	Wealth transfer taxation: an empirical investigation
23	2003	Richardson G, Davis A & Chan H K	The potential of a wealth tax for Hong Kong: a critical review and analysis
24	2009	Roine J & Waldenstrom D	Wealth concentration over the path of development: Sweden, 1873-2006
25	2000	Schenk D H	Saving the income tax with a wealth tax
26	2000	Shakow D & Schuldiner R	A comprehensive wealth tax
27	2016	Shakow D J	A wealth tax: taxing the estates of the living
28	1969	Stiglitz J E	The effects of income. Wealth and capital gains taxation on risk-taking
29	1967	Tanabe N	The taxation of net wealth
30	1992	Verbit G P	French tries a wealth tax
31	1973	Wisman J D & Sawaers L	Wealth taxation for the united states

Addendum 2.7: Data extraction validation

Codes as designed by researcher	
1	**History** The explanation of what is wealth tax and why it is taxed
1.1	**Exemptions** Which are assets are generally exempted and what does it mean for an asset to be exempt as well as which assets are mostly exempted in general
1.2	**Tax base** Which assets are included in the tax base for the calculation of wealth tax?
1.3	**Tax payer** Which persons are liable for the taxation of wealth?
1.4	**Valuations** How are assets generally valued for the for the computation of net wealth tax
1.5	**Administration** How it is generally administered, whether combined with other taxes or in isolation
2	**Implementation** The implementation of wealth tax in different countries including how it is taxed, the reasons for implementation, the year of implementation,
3	**Abolishment reasons** The reasons for the abolishment for different countries and the year of abolishment
4	**Argument in favour** These are all the arguments that different experts use for their support of the wealth tax
4.1	**Administrative control** Wealth tax administration may aid the efficiency of other sections of tax administration, particularly personal income taxes
4.2	**Efficiency** How the taxation of wealth encourages the efficiency of other taxes.
4.3	**Horizontal equity**

Addendum 2.7: Data extraction validation (continues)

Codes as designed by researcher	
	The horizontal equity objective of wealth taxation is based on the proposition that effective equal treatment of those with equal taxable capacities must take wealth ownership into account as well as income
4.4	**Reduction in equity - Inequality** Wealth tax has been supported on the grounds that it reduces the gap between the wealthy and the poor
5	**Arguments against** The arguments that are against the wealth tax
5.1	**Adverse economic consequences** The bad consequences of wealth tax that impact the economy
5.2	**Double taxation** The problem double taxation with regards to wealth tax and other taxes
5.3	**Practical difficulties** Problems that the taxpayers encounter when having to make a payment, valuation and administration difficulties for the wealth tax.

Addendum 2.7: Data extraction validation (continues)

1990- The wealth tax: A policy proposal- William M Dugger		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
1	"First, identify the holders of wealth"	1	1.3	1.3	X				
2	"The second step in taxing wealth is determining the size of the tax base. The tax base is the amount to which we will apply a particular tax rate. The tax base is determined by adjusting the total net worth of the wealth holder for a personal deduction. The personal deduction is designed to free the middle class and those below from having to pay any wealth tax, since their burdens are already heavy enough."	1	1.2	1.2	X				
3	"The third step in taxing wealth is determining the tax rate to apply to the tax base."	1	1.2	1.2	X				
4	"A high tax rate would not only close the budget deficit, but would also provide the revenues needed for income maintenance, housing, medical care, education, and infrastructure-revenues that now go to net interest expense or go to provide incentives for the wealthy to save."	4.4	4.4	4.4	X				
5	"The dispersing of wealth could even open up opportunities for expanding co-ops and worker-owned enterprises instead of just providing more opportunities for private ownership."	4				X			This code was only realised by the researcher therefore after a discussion with the two peer reviewers there was a disagreement and therefore was decided to exclude it from the literature
6	"Opponents of taxing wealth insist that doing so will reduce saving and growth."	5.1	5.1	5.1	X				

Addendum 2.7: Data extraction validation (continues)

1990- The wealth tax: A policy proposal- William M Dugger		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
7	"The second objection raised to a wealth tax is that wealth, like income, is sometimes difficult to measure and to verify."	5.3	5.3	5.3	X				
8	"Proper re porting and auditing procedures can keep tax evasion at a minimum for both kinds of taxes."	5.3	5.3	5.3	X				
9	"The third objection raised is that a wealth tax will not yield much revenue because the wealthy are so few in number."	4.1	4.1	4.1	X				
10	"But a tax on their wealth can yield significant revenue because the small number of wealthy hold a huge amount of wealth."	5	5	5	X				
11	"However, there is one thing the wealth tax could do that the progressive income tax could not do-break up concentrated holdings of wealth and disperse it among a broader group. The wealth tax can increase participation by breaking up concentrated wealth."	4.4	4.4	4.4	X				
12	"The progressive income tax does not redistribute concentrated wealth. It makes the after-tax distribution of income more equal, but it does not make the after-tax distribution of wealth more equal."	1.2	1.2	1.2	X			X	during the peer review process, it was decided to add the quotation as it was realised that it was mistakenly left pit by all reviewers
13	"The wealth tax has an equally important job to do-to redistribute wealth more equally."	4.4	4.4	4.4	X				
		TOTALS			12	1	0	1	

Addendum 2.7: Data extraction validation (continues)

1991 - A Primer on the Implementation of Wealth Taxes - Robert D. Brown		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
1	"Comprehensive annual tax on personal capital would be a new type of tax for Canadians, even though various forms of it have been used in other"	1	1	1	X			X	during the peer review process, it was decided to add the quotation as it was realised that it was mistakenly left pit by all reviewers
2	"A wealth tax may be levied at a single rate or it may be levied at graduated rates with the rates increasing on each further slice of wealth. Annual graduated rates can lead to inequity if lifetime ability to pay is contrasted with annual ability to pay."	1.2	1.2	1.2	X				
3	"But such lifetime tax systems carry with them significant burdens in administration and complexity."	1.5	1.5	1.5	X				
4	"If the object is to target a tax on the rich and redistribute their wealth, a relatively high threshold along with high rates might be used."	1.2	1.2	1.2	X				
5	"Graduated rates and thresholds will affect the overall weight, incidence of tax and ease of administration, as will the choice of the tax unit, exemptions, and reliefs, the existence of ceiling and floor provisions and methods of valuation."	1.2	1.2	1.2	X				

Addendum 2.7: Data extraction validation (continues)

1991 - A Primer on the Implementation of Wealth Taxes - Robert D. Brown		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
6	“Number of countries impose a ceiling on the percentage of wealth that may be absorbed by the total of income tax and wealth tax. Such a ceiling may be expressed as a percentage of taxable income, a percentage of net wealth, or as some other measure that incorporates both.”	1.2	1.2	1.2	X				
7	“To compel the liquidation of wealth in order to pay wealth tax. However, any complex limit on the amount of wealth subject to tax carries with it administrative costs and conceptual difficulties.”	5.3	5.3	5.3	X				
8	“As part of the imposition of a net wealth tax, it is necessary to determine who will be subject to the levy.”	1.3	1.3	1.3	X				
9	“As a general rule, many jurisdictions provide that an individual who is resident for income tax purposes is also resident for wealth tax purposes, and taxable on his worldwide wealth.”	1.3	1.3	1.3	X				
10	“However, 'look through' provisions are excessively complex and difficult to administer because the domestic authorities cannot readily obtain information on ultimate ownership.”	5.3	5.3	5.3	X				
11	“The question of whether the basis of assessment should be the individual wealth holder, the married couple or the family unit arises for a net wealth tax just as it does for an income tax.”	1.2	1.2	1.2	X				

Addendum 2.7: Data extraction validation (continues)

1991 - A Primer on the Implementation of Wealth Taxes - Robert D. Brown		Relevant code							
#	Phrase	Researcher	Peer review 1	Peer review 2	Agree	Disagree	Consensus	Additions	Reflections
12	"Although a number of jurisdictions with a net wealth tax levy it on corporations as well as individuals, there is clearly a major element of double taxation in so doing."	5.2	5.2	5.2	X			X	during the peer review process, it was decided to add the quotation as it was realised that it was mistakenly left pit by all reviewers
13	"If trusts are taxed separately from individuals under any net wealth tax system involving thresholds or progressive rates, taxpayers would merely set up a number of trusts and spread their assets among the various trusts."	1.3	1.3	1.3	X				
14	"In principle, all debts should be deducted from a taxpayer's total assets in order to arrive at net wealth. However, if a taxpayer borrows to purchase assets that are exempt from the application of wealth tax, an avoidance of tax arises. In some countries, an attempt has been made to counter this type of avoidance by attempting to link debts to assets and excluding from deductible liabilities those debts incurred to hold exempt assets."	1.2	1.2	1.2	X				
15	"In most countries that currently have a wealth tax, administration of it is linked with that of the income tax. The common administrative model is that of a decentralized administration with the same officials administering both net wealth tax and income tax, and with wealth tax reported on the same form as income tax. Where wealth tax is administered separately from income tax, the result is a considerable increase in both administration and compliance costs."	1.5	1.5	1.5	X				

Addendum 2.7: Data extraction validation (continues)

1991 - A Primer on the Implementation of Wealth Taxes - Robert D. Brown		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
16	"Of one were to strive to satisfy principles of equity, equality and efficiency, all assets would be included in the wealth tax base. Exemptions favour owners of exempt assets over those of non-exempt assets."	1.1	1.1	1.1	X				
17	"Some exemption for household items and personal effects (sometimes up to a certain value) seems to be universal in jurisdictions with a wealth tax. This is likely based on the fact that these items are usually necessities, generally of modest value, and ex trimly difficult to assess."	1.1	1.1	1.1	X				
18	"In those countries that have a personal net wealth tax, the value of pension rights is almost always excluded from the tax base. Similar exemptions are usually provided for pension-type annuities that are purchased by self-employed persons and other wise non-pensionable employees."	1.1	1.1	1.1	X				
19	"Those who propose that owner-occupied houses should be exempt from a personal net wealth tax do so on the basis that their owners do not directly earn money with which to pay the tax, that social benefits derive from the ownership of houses, and that taxing home values would be tenor mousy unpopular."	1.1	1.1	1.1	X				
20	"Patent rights, copyrights and goodwill have in common the fact that all can represent value created through the personal efforts of their owners and are usually treated in the same manner for wealth tax purposes. The argument for excluding them from the wealth tax base is that since capitalized future personal earnings are universally excluded from the wealth tax base, patent rights, copyright and goodwill that essentially represent future earning power ought to be excluded as well. Valuing such rights is also very difficult."	1.1	1.1	1.1	X				

Addendum 2.7: Data extraction validation (continues)

1991 - A Primer on the Implementation of Wealth Taxes - Robert D. Brown		Relevant code							
#	**Phrase**	**Researcher**	**Peer review 1**	**Peer review 2**	**Agree**	**Disagree**	**Consensus**	**Additions**	**Reflections**
21	“Perhaps one of the most difficult of the exemptions to deal with in policy terms is the universal exemption provided for human capital or the capitalized value of future personal earning power. As a result of inherent ability, investment in education and training, and application.”	1.1	1.1	1.1	**X**				
22	“In theory, most would agree that the basis for valuation for net wealth tax should be market value. While most valuation problems result when there is no market value price, ascertaining the appropriate market value itself is not without problems. Current market value may be influenced by the form in which the assets are held - listed versus unlisted shares, significant holdings, or seasonal goods. Market values may also be influenced by the numbers of buyers and sellers, the freedom of entry into the market, imperfect knowledge and the vagaries of markets on whatever day is selected as valuation.”	1.4	1.4	1.4	**X**				
23	“The method of valuation chosen should achieve a balance between obtaining a genuine market value and reducing the compliance costs, uncertainty and delay in determining values. Annual valuations are clear.”	1.4	1.4	1.4	**X**				
24	“Generally, immovable property can only be valued with professional assistance at some cost, although values may be available from some other sources, i.e. Canadian provincial or municipal property tax assessment figures. The best evidence of accurate valuations of immovable property comes from purchase and sales in the open market, but there are many properties where it is difficult to identify comparable assets that have been recently sold.”	1.4	1.4	1.4	**X**				

Addendum 2.7: Data extraction validation (continues)

1991 - A Primer on the Implementation of Wealth Taxes - Robert D. Brown		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
25	"It is easiest to suggest that listed securities be assessed on the basis of their value on the stock exchange on the date that wealth is to be determined. However, this does not permit one to take into account fluctuations: an average value throughout the year might more accurately reflect the long-term accretion to the taxpayer's wealth not to mention the possibility that the listed securities might be artificially low on such date."	1.4	1.4	1.4	X				
26	"While not without problems, the suggestion is made that partnerships and sole proprietorships be valued at the net value of the business as a going concern computed in accordance with open market principles (Healey, 1974:15). The other option is to value the individual assets of the business separately and then aggregate the value."	1.4	1.4	1.4	X				
27	"For purposes of valuing assets consisting of non-traded debts and loans, debts that will not bear interest and will not be paid for some time, or loans at a fixed rate of interest below the now prevailing rate should presumably be discounted to their present value. Would the same approach be taken on calculating the value of debts payable that are to be subtracted in arriving at net wealth or would the face amount of the debt payable be used in the computation."	1.4	1.4	1.4	X				
28	"If goodwill derived from the personal efforts and attributes of the owners of a business is to be exempted from Canadian net wealth tax, the question is how to value that goodwill separately from goodwill that arises from the location of premises or the existence of a monopoly, among other things."	1.4	1.4	1.4	X				

Addendum 2.7: Data extraction validation (continues)

1991 - A Primer on the Implementation of Wealth Taxes - Robert D. Brown		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
29	"The value of unlisted shares, like listed shares, ought to be based on market value. Except in a few cases where this value has been established by actual recent sales, valuing such assets becomes complex and difficult. Different approaches, most based on formulae, have been adopted by various countries to arrive at values in these circumstances. The starting point may be the value of the total company as a going concern, or its break-up value."	1.4	1.4	1.4	X				
30	"The self-assessment administrative system places a very considerable burden on the taxpayer with little perceived benefit and therefore, would likely involve substantial resistance and resentment from Canadian taxpayers. Taxpayers would need assistance with the listing of assets, the valuation of assets and the calculation of the tax payable. Moreover, a net wealth tax system inevitably involves uncertainty - even if the taxpayer makes an honest effort to compute his wealth tax liability properly."	1.5	1.5	1.5	X				
31	"Specialized rules for the valuation of many different assets, including arbitrary valuation formulae, safe haven rules and arbitrary exemptions, would likely be required before self-assessment could be made into a workable system."	1.5	1.5	1.5	X				
32	"One of the arguments made against the imposition of a personal net wealth tax is the difficulty of meeting the payments. Canadian taxpayers - even those of moderate means - could be forced to sell assets (or borrow against them) to pay the tax."	1.5	1.5	1.5	X				
33	"This is particularly true of assets with low yields. A rather imperfect alternative is to allow the tax to accrue (presumably with interest) until the asset is sold upon adequate proof of inability to pay. Other questions such as whether instalment payments will be required, the rate of interest on overdue taxes and the collection."	1.5	1.5	1.5	X				

Addendum 2.7: Data extraction validation (continues)

1991 - A Primer on the Implementation of Wealth Taxes - Robert D. Brown		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
34	"There is no common opinion regarding the administrative and compliance costs of a net wealth tax except the suggestion that unless the wealth tax administration is coupled with the income tax administration, the collection costs of a wealth tax can be extraordinarily."	1.5	1.5	1.5	**X**				
35	"Ultimately, under a system of self-assessment, administrative costs would depend largely on the degree of audit undertaken. The compliance costs would be relatively high. Under a non-self-assessment system, the administration costs would be considerably higher and the compliance costs moderately lower, but the effectiveness of the tax would likely be considerably reduced. In any event, experience elsewhere suggests avoidance and evasion would be serious issues."	1.5	1.5	1.5	**X**				
		TOTALS			**35**	**0**	**0**	**2**	

Addendum 2.7: Data extraction validation (continues)

2013- Too rich to rein in? The under-utilised wealth tax base- Natalia Chatalova and Chris Evans		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
1	"Of the three traditionally accepted tax bases – income, expenditure and capital/wealth – the latter is by far the least used in the tax systems of both developed and developing countries."	1	1	1	X				
2	"Not only, it is argued, can wealth taxes have a negative impact upon entrepreneurial activity and economic growth."	5.1	5.1	5.1	X				
3	"But the biggest problems of wealth taxes are the practical administrative issues (particularly related to disclosure and valuation) that are often evident when attempts are made to tax accumulations and/or transfers of capital or wealth."	5.3	5.3	5.3					
4	"In spite of the practical problems and efficiency issues of wealth taxes, those in favour of attempts to tax wealth typically garner significant support. The main reason is the embedded inequality of wealth."	4	4.4	4.4	X				
5	"Some view it as the most direct means of effecting redistribution and key to achieving equality of opportunity."	4.4	4.4	4.4					
6	"Others see it as the unjustified confiscation of private property by the state."	4.1	5.3	5.3			X		A consensus was reached between the researcher and the two peer reviewers regarding the quotation and code it related to.

Addendum 2.7: Data extraction validation (continues)

2013- Too rich to rein in? The under-utilised wealth tax base- Natalia Chatalova and Chris Evans		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
7	"Taxation where international practice differs dramatically….Some countries levy taxes directly upon wealth holdings while others only tax transfers of wealth."		1.2	1.2	X			X	As the quotation was not realised by the researcher it had to be added after the clarity gained from the explanation of the peer review 1 and 2.
8	"Contrastingly, several developing countries continue to use wealth taxes in attempts to capture 'some' taxation revenue to address the significant inequality in the distributions of income and wealth among their citizens."	4.4	4.4	4.4	X				
9	"The essential characteristic of a capital or wealth tax is that, in principle, it relates to the whole range or genus of assets, whether tangible or intangible: cash and bank balances; real property such as houses; personal property such as jewellery, pictures, furniture, cars and boats; stocks and shares; and business assets. All these assets, taken together, comprise the tax base of any form of wealth tax, unless expressly excluded. To try to encapsulate the taxpayer's wealth for tax purposes, a taxpayer's net wealth is usually relevant. This 'net wealth' is typically computed by subtracting a taxpayer's total liabilities from total assets."	1.2	1.2	1.2	X				
10	"Wealth taxes can be grouped into three major categories: taxes on the holding or stock of wealth; on the transfer of wealth; and on wealth appreciation. The first category comprises the taxes levied periodically on a taxpayer's aggregate net wealth."	1.2	1.2	1.2	X				

Addendum 2.7: Data extraction validation (continues)

2013- Too rich to rein in? The under-utilised wealth tax base- Natalia Chatalova and Chris Evans		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
11	"These taxes can be ongoing annual wealth taxes ('AWT'), such as those currently levied on individuals in France, Norway, Switzerland and India and on corporate entities in Luxembourg."	1.3	1.3	1.3	X				
12	"A vital question in wealth taxation is how far the tax authorities should extend their taxing rights. In part this is because countries have recognised that unless a wealth tax is applied on a worldwide basis, moving mobile assets offshore or entering into schemes to 'hide' assets is attractive to the taxpayers. The wealth tax base is therefore typically selected to be consistent with the country's tax base for income tax purposes."	1.2	1.2	1.2	X				
13	"The tax unit for wealth tax purposes may be a corporation, an individual, a couple, a family or variations on this. For the sake of administrative simplicity, the tax units where a wealth tax is employed are, again, often the same as those used by a country in its computation of income tax."	1.3	1.3	1.3	X				
14	"A net wealth tax may be equitable for a family tax unit, but will be less so for an individual tax unit, particularly if this tax is applied progressively."	1.3	1.3	1.3	X				
15	"In operation, the wealth tax liability is computed by applying country-specific flat or progressive tax rates to the amounts of wealth (stock or transfer) identified as the appropriate base.16 The tax liability in case of transfer taxes can additionally vary, depending on the relationship of the recipient to the transferor (in the inheritance tax type of death duties). Further, the tax liability may attract a 'discount'. This is often the case if the net increment in wealth is realised on an asset that has been held by a taxpayer over a long period of time."	1.2	1.2	1.2	X				
16	"From a cross-border standpoint, double tax treaties do not usually explicitly cover remedies for double taxation of net wealth or wealth transfers. Thus, where a taxpayer is subject to more than one form of wealth taxation in more than one jurisdiction, double taxation can arise, unless more general unilateral tax treaty reliefs are available to the taxpayer."	5.2	5.2	5.2	X				

Addendum 2.7: Data extraction validation (continues)

2013- Too rich to rein in? The under-utilised wealth tax base- Natalia Chatalova and Chris Evans		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
17	"Perhaps the strongest rationale for the introduction or continuation of taxes on wealth lies in the second of the objectives for governments when they impose taxes: their ability to positively impact upon the horizontal and vertical equity of the tax system."	4.3	4.3	4.3	X				
18	"Efficiency is also a frequently cited rationale for wealth taxes. When low yielding assets are subject to a wealth tax, taxpayers are incentivised to convert those low yielding assets into higher yielding assets. It is argued that taxpayers will have the desire to generate greater rates of return on their wealth in order to prevent its erosion. This contributes to increased efficiency of asset utilisation. Wealth taxes can also improve the incentives to work, since, unlike taxation of income, productive activities are not penalised by the taxation of wealth."	4.2	4.2	4.2	X				
19	"Although there are a number of administrative arguments against wealth taxes (discussed below), policymakers advocating these taxes are still able to identify other, indirect, administrative benefits of wealth taxes. These benefits include the potential for reduction of tax avoidance and evasion, when wealth taxation complements income taxation. In this respect, governments can collect wealth tax data and cross check it against income tax data to ensure greater compliance and that any legislative loopholes in either wealth or income taxation are not exploited."	4.1	4.1	4.1	X				
20	"The arguments are also politically appealing as the wealth tax burden is placed on the more affluent sectors of the population."	4.1	4.1	4.1	X				

Addendum 2.7: Data extraction validation (continues)

2013- Too rich to rein in? The under-utilised wealth tax base- Natalia Chatalova and Chris Evans		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
21	"In order for wealth taxation to be successful, a country's legislation needs to ensure that taxpayers disclose their wealth and cannot enter into simple and cost-effective schemes to optically reduce the overall value of that wealth. The problem of disclosure is obvious – it is very easy to hide or export many forms of wealth, whether in the form of physical assets like diamonds or fungible assets like bank balances. Compliance becomes a real problem; hence inequities begin to arise between honest and dishonest taxpayers; and revenue authorities introduce compromises (such as exempting household articles) which inevitably undermine the efficiency, equity and integrity of the tax."	5.3	5.3	5.3	X				
22	"Where wealth is undisclosed or diminished, effective taxation of wealth is not possible. With this in mind, policy makers must recognise that particular taxpayers may be more likely to evade or avoid a wealth tax."	5.3	5.3	5.3	X				
23	"Asset disclosure is accompanied by an additional major problem: its valuation, especially where an actual sale of the asset does not take place to give an independent market value. In addition, if a wealth tax is to have any consistency of meaning, assets such as the capitalised value of future pension rights, or of future earning power, may need to be included in the tax base. But there is no consensus on whether they should be included, and if so, how they should be measured."	5.3	5.3	5.3	X				
24	"Valuation difficulties are notably seen in cases of unlisted assets when particular interests are held through companies, partnerships, trusts, or other entities. This is because each interest needs to be valued. Here, issues such as control premiums and/or minority discounts are evident. Additional concerns appear where different valuations are used for different tax purposes, as in France. These problems are naturally magnified for intangible property."	5.3	5.3	5.3	X				

Addendum 2.7: Data extraction validation (continues)

2013- Too rich to rein in? The under-utilised wealth tax base- Natalia Chatalova and Chris Evans		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
25	"Wealth attribution glitches are observed when different legal ownership forms are considered. For instance, while the common law trust structure is widely used in the UK, it does not exist in many civil law countries such as France. Attribution needs to deal with structures whose legal notions do not overlap across jurisdictions, particularly if wealth is taxed on a worldwide basis. Problems with beneficiaries that have no full right to enjoy particular benefits conferred on by 'shared' wealth are prevalent. In some developing countries, such as Indonesia, these issues are more prolific, as property is often vested in an entire community. Realistically, net wealth or transfer taxes are exceptionally difficult, if not impossible, to operate successfully when community or familial ownership titles are in place."	5.3	5.3	5.3	X				
26	"Identification of the nature of interest creates another set of difficulties. Pension funds are good example. Although a taxpayer's pension fund holding is identifiable, it is often not accessible until a particular age. As a result, some countries have chosen to exempt such entities. But, pension funds are an important component of a taxpayer's net wealth."	1.1	1.1	1.1	X				
27	"Motivated by wealth preservation, high net worth individuals ('HNWIs') often look to move to a tax efficient jurisdiction."	5.1	5.1	5.1	X				
28	"Other countries seek to impose tax barriers such as exit taxes or other penalties to prevent HNWIs from leaving the country."	5.1	5.1	5.1	X				
29	"One final argument used against wealth taxes is that there may also be a greater administrative burden imposed upon revenue authorities in collecting wealth taxes."	5.3	5.3	5.3	X				

Addendum 2.7: Data extraction validation (continues)

2013- Too rich to rein in? The under-utilised wealth tax base- Natalia Chatalova and Chris Evans		Relevant code			Agree	Disagree	Consensus	Additions	Reflections
#	Phrase	Researcher	Peer review 1	Peer review 2					
30	"There are different combinations of wealth taxation forms used globally. The basic divergence stems from distinctions in historical, geographical, cultural and economic backgrounds. At the one extreme, tax havens such as the Cayman Islands, Monaco and Belize do not levy any form of wealth taxes. These small countries have traditionally differentiated themselves through their tax policy as attractive holding jurisdictions for the coffers of the wealthy. Middle Eastern countries, such as the United Arab Emirates, also do not levy wealth taxes. These countries have sought to attract foreign direct investment by implementing taxpayer friendly investment regimes in order to diversify their economies".	5.1	5.1	5.1	X				
31	"Wealth is spread far more unequally than income".	4.4	4.4	4.4	X				
		TOTALS			30	1	0	0	

Addendum 2.7: Data extraction validation (continues)

Summary per article	Agree	Disagree	Reflections
1991 - A Primer on the Implementation of Wealth Taxes - Robert D. Brown	35	0	All three reviewers agreed on all the quotations and the codes they related to
1990- The wealth tax: A policy proposal- William M Dugger	12	1	A consensus was reached for the one disagreement that the reviewers had
2013- Too rich to rein in? The under-utilised wealth tax base- Natalia Chatalova and Chris Evans	30	1	A consensus was reached for the one disagreement that the reviewers had
	77	**2**	

Addendum 2.8: Wealth tax table analysis

KEY WORDS	A comprehensive wealth tax-Shakow	A primer on the implementation of wealth taxes	A wealth tax taxing the estates of the living- Shakow	Capital taxation, investment, growth and welfare	Capital Taxes, the Redistribution of Wealth and Individual Savings	Distribution of urban household wealth in India-i- a first approximation	Distributive justice that is the wealth tax issue-Maloney	Do we want a wealth tax in America- Isaacs	France tries a wealth tax- Verbit	Income and Wealth Concentration in Spain from a Historical and Fiscal Perspective	Options for the taxation of wealth	Reviewed Work(s) An Annual Wealth Tax. by C. T. Sandford, J. R. M. Willis and D. J. Ironside	Saving the Income Tax With a Wealth Tax- SCHENK	Taxation of Property and Net Wealth in India A Note- KRISHNAN	The Allocative and Efficiency Effects of Wealth Taxes	The American Dream in Legislation The Role of Popular Symbols in Wealth Tax Policy	The distributional effects of progressive capital taxes	The Distributive Effects of Wealth Taxes	The European Experience With a Wealth Tax A Comparative Discussion- LEHNER	The New Flat Tax A Modest Proposal For a Constitutionally Apportioned Wealth Tax- PLECNIK	The Politics of Wealth Taxes	The Potential of a Wealth Tax for Hong Kong A Critical Review and Analysis	The Role of Wealth Taxation in the Overall Tax System	The Taxation of Net Wealth	The Taxation of Personal Wealth in International Perspective	The Taxation of Wealth in the EEC Facts and Trends	The Wealth Tax A Policy Proposal	Too rich to rein in The under-utilised wealth tax base- CHATALOVA AND EVANS	Wealth concentration over the path of development	Wealth taxation for the united states	Wealth transfer taxation an empirical investigation	Totals
Abolishment reasons	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	3	0	0	16	12	0	0	11	3	0	0	50
Administrative control	0	0	0	0	0	0	0	2	0	0	3	0	0	0	0	0	0	0	0	0	0	6	1	8	0	0	0	3	0	0	0	23
Administrative	2	10	0	0	0	6	0	0	0	0	0	1	0	0	0	1	0	0	1	4	0	3	0	3	0	0	0	0	0	0	0	31
Adverse economic consequences	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	9	1	0	1	0	0	0	0	13
Arguments against	2	3	1	0	0	0	2	3	0	0	0	0	3	0	2	0	0	1	0	0	0	0	0	0	0	0	0	2	0	0	0	19
Arguments in favour	10	0	1	0	1	0	0	0	0	0	4	0	2	0	2	0	0	0	2	3	4	1	1	6	0	0	2	2	0	0	0	41
Double taxation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	4	0	0	0	0	0	0	0	0	0	8
Efficiency	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	1	0	0	0	0	0	5	0	0	0	0	0	4	0	1	0	14
Exemptions	1	1	0	0	0	0	0	0	3	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	3	0	1	0	0	0	12
History	12	3	5	0	3	0	5	0	0	2	0	5	8	3	3	0	0	1	2	3	4	8	2	11	2	4	3	6	0	1	0	96
Horizontal equity	0	0	0	0	0	0	0	2	0	0	5	0	0	0	0	0	0	0	0	3	1	7	0	7	0	0	0	1	0	0	0	26
Implementation reasons	0	0	0	0	0	5	0	1	5	4	1	1	0	4	2	0	0	0	58	0	5	0	0	37	6	1	0	3	2	3	0	138
Practical difficulties	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	6	0	0	2	6	0	0	0	20
Progressivity	7	0	0	0	0	0	1	0	0	0	2	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	12
Reduction of inequality	0	0	0	0	0	0	0	4	0	0	1	0	0	0	0	0	0	5	0	0	2	5	0	0	0	2	2	3	0	5	0	29
Tax base	0	2	0	0	0	0	0	0	8	0	0	0	0	0	0	0	0	0	0	0	0	0	1	3	0	1	1	2	0	0	0	18
Taxpayer	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	1	0	0	0	4	0	1	0	13
Valuations	1	11	2	0	0	0	0	1	4	0	0	1	1	0	0	0	0	0	0	0	0	8	0	6	0	0	0	0	1	0	0	36
Arguments against wealth tax	2	4	1	0	0	0	2	3	0	0	0	0	3	0	2	0	0	1	4	0	0	11	0	15	1	0	3	8	0	0	0	60
Arguments in favour of wealth tax	10	0	1	0	1	0	0	8	0	0	16	0	2	0	2	1	0	5	2	6	7	24	2	21	0	2	4	13	0	6	0	133
Wealth tax abolishment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	3	0	0	16	12	0	0	11	3	0	0	50
Wealth tax history and design	21	29	7	0	3	6	6	1	15	3	2	6	9	3	3	1	0	1	3	7	4	26	3	25	2	8	5	13	1	2	0	215
Wealth tax implementation	0	0	0	0	0	5	0	1	5	4	1	1	0	4	2	0	0	0	58	0	5	0	0	37	6	1	0	3	2	3	0	138
Totals	**68**	**66**	**18**	**0**	**8**	**22**	**16**	**26**	**40**	**14**	**38**	**15**	**28**	**14**	**18**	**4**	**0**	**14**	**144**	**26**	**38**	**122**	**10**	**228**	**42**	**22**	**24**	**96**	**12**	**22**	**0**	**1195**